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FEDERAL REGISTER

VOLUME 25 NUMBER 115

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Rules and Regulations

Title 6—AGRICULTURAL CREDIT

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SUBCHAPTER B—LOANS, PURCHASES AND OTHER OPERATIONS

[1960 C.C.C. Grain Price Support Bulletin 1, Supp. 1, Amdt. 1, Barley]

PART 421—GRAINS AND RELATED COMMODITIES

Subpart—1960-Crop Barley Loan and Purchase Agreement Program

STORAGE DEDUCTIONS; CORRECTION

In Federal Register Document 60-5057 published at page 4894 in the issue for Friday, June 3, 1960, the following change should be made:

In the table of storage deductions contained in § 421.5084(a)(1) under the heading of "For States having a maturity date not later than February 28, 1961—Date the storage charges start (all dates inclusive)" the first entry which now reads "Prior to May 30, 1961" should be corrected to read "Prior to May 30, 1960."

Issued this 9th day of June 1960.

CLARENCE D. PALMBY,
Acting Executive Vice President, Commodity Credit Corporation.

[F.R. Doc. 60-5502; Filed, June 13, 1960; 11:37 a.m.]

Title 7—AGRICULTURE

Chapter III—Agricultural Research Service, Department of Agriculture

[P.P.C. 612, 27th Rev.]

PART 301—DOMESTIC QUARANTINE NOTICES

Subpart—Khapra Beetle

REVISED ADMINISTRATIVE INSTRUCTIONS DESIGNATING PREMISES AS REGULATED AREAS

Pursuant to § 301.76-2 of the regulations supplemental to the Khapra Beetle Quarantine (7 CFR 301.76-2) under sections 8 and 9 of the Plant Quarantine Act of 1912, as amended (7 U.S.C. 161, 162), revised administrative instructions are hereby issued as follows, listing premises in which infestations of the khapra beetle have been determined to exist and designating such premises as regulated areas within the meaning of said quarantine and regulations.

§ 301.76-2a Administrative instructions designating certain premises as regulated areas under the khapra beetle quarantine and regulations.

Infestations of the khapra beetle have been determined to exist in the premises listed in paragraphs (a) and (b) of this section. Accordingly, such premises are hereby designated as regulated areas within the meaning of the provisions in this subpart:

(a)

ARIZONA

Baxter Dees Farm, Route 3, Box 297, Yuma.
Boker Dairy, Route 1, Box 735, Scottsdale.
Howard Daniels Feed Lot, located north side of Highway 95, 5 9/10 miles east of Fourth Avenue, P.O. Box 687, Yuma.
Indian Farm, Route 3, Box 394B, Yuma.
Bruce Landsaw Farm, Route 3, Box 378C, Yuma.
Monico Rico Farm, 1704 Maple Avenue, Yuma.
S & W Feed Lot, located 1 mile east of Gila Center Store and 1/10 mile north of Highway 95, P.O. Box 1590, Yuma.
S & W Labor Camp, located 1 1/10 miles east of Gila Center Store and 9/10 mile south of Highway 95, Box 1590, Yuma.
Skousen and Hastings Farm, located on Cloud Road and Crismon Road, 1½ miles south and 1 mile east of Queen Creek, Route 1, Box 44, Queen Creek.
Arthur Smart Hog Farm, located ½ mile south of 13th on Avenue F ½, Route 1, Box 642, Yuma.
Wayne Stedman Farm, Route 3, Box 394-B, Yuma.
W. M. Ward Farm, located 9/10 mile east of Gila Center Store on north side of Highway 95, Route 3, Box 332, Yuma.
James Watts Farm, Route 3, Box 380-A, Yuma.
Whitman & Shattuck Dump Area, located 1 mile east of Gila Center Store and 1 mile north of Highway 95 (½ mile north of mill), P.O. Box 1590, Yuma.

CALIFORNIA

Arita Brothers (H. Arita) property, located ½ mile west of Highway 99, Avenue 81, Route 2, Box 160, Thermal.
F. O. Rosenbaum property, located ¾ mile north of You and I Club, West Highway 80, Route 2, Box 29, El Centro.

TEXAS

Beaver Egg Farm, Route 1, Box 44, Ysleta.
Kay's Drive-In Grocery, 8220 Dyer, El Paso.
Kay's Drive-In Grocery, 9130 Dyer, El Paso.
Speedmart Grocery, 5600 Dyer, El Paso.
Sunrise Acre Grocery, 8015 Dyer, El Paso.

(b) The portion of each of the following premises in which live khapra beetles were found has received the approved fumigation treatment, but these premises must continue under frequent observation and inspection for a period of one year following fumigation before a determination can be made as to the adequacy of such treatment to eradicate the khapra beetle in and upon such premises. During this period regulated articles may be moved from the premises only in accordance with the regulations in this subpart.

ARIZONA

Advance Seed & Grain Co. (Grain Division) property, 310 South 24th Avenue, Phoenix.
Hi-Jolly Date Farm, 4500 East Main Street, Mesa.

NEW MEXICO

Jim Akers Dairy Farm, Highway 85, located 2 miles south of Hatch, P.O. Box 12, Hatch.
Frank Erdell dairy, located 2 miles west and 1 mile north of the junction of Highways 70-80 and 85, Route 2, Box 85, Las Cruces.

TEXAS

Clint Grocery Store, Clint.
A. H. Dean property, 8211 Carpenter Drive, El Paso.
El Paso Union Stock Yards, 1800 East 11th Street, El Paso.
Emmett's Poultry and Egg Company property, 150 North Piedras Street, El Paso.
Furr's Super Market, 7690 North Loop Road, El Paso.
H & M Grocery Store, Fort Hancock.
Heid Brothers Feed and Seed Store, 1705 Texas Avenue, El Paso.
L. M. Hamilton property, 4036 Emery Way, El Paso.
The Penn Dairy Farm, Mesa Road, El Paso.

(Sec. 9, 37 Stat. 318; 7 U.S.C. 162. Interprets or applies sec. 8, 37 Stat. 318, as amended; 7 U.S.C. 161. 19 F.R. 74, as amended; 7 CFR 301.76-2)

Subsequent to the twenty-sixth revision, effective March 26, 1960, infestations of the khapra beetle were discovered on the premises of the J. M. Martinez Chicken Yard, located at the corner of Third and Randall Streets, General Delivery, Winkelman, Arizona; and the R. E. Nelson Farm (Feed barn), Route 1, Box 162, Ysleta, Texas. Movement of regulated articles from these properties was immediately stopped. Within a few days the infested premises had been fumigated in their entirety and declared free of khapra beetle infestation. Accordingly, these properties are not being included in this revision.

This revision has the effect of revoking the designation as regulated areas of certain premises in Arizona, it having been determined by the Director of the Plant Pest Control Division that adequate sanitation measures have been practiced for a sufficient length of time to eradicate the khapra beetle in and upon such premises. It also adds certain premises in Arizona, California, and Texas to the list of premises in which khapra beetle infestations have been determined to exist, and designates such premises as regulated areas under the khapra beetle quarantine and regulations.

As an informative item, the revision segregates certain regulated premises in Arizona, New Mexico, and Texas where the approved fumigation treatment has been applied to the portion of the premises in which live khapra beetles were found and which are consequently in a somewhat different category than untreated premises.

These administrative instructions shall become effective June 14, 1960,

when they shall supersede P.P.C. 612, Twenty-sixth Revision, effective March 26, 1960 (25 F.R. 2571).

These instructions, in part, impose restrictions supplementing khapra beetle quarantine regulations already effective. They also relieve restrictions insofar as they revoke the designation of certain regulated areas. They must be made effective promptly in order to carry out the purposes of the regulations and to be of maximum benefit in permitting the interstate movement, without restriction under the quarantine, of regulated products from the premises being removed from designation as regulated areas. Accordingly, under section 4 of the Administrative Procedure Act (5 U.S.C. 1003), it is found upon good cause that notice and other public procedure with respect to the foregoing administrative instructions are impracticable and good cause is found for making the effective date thereof less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 8th day of June 1960.

[SEAL] L. F. CURL,
Acting Director,
Plant Pest Control Division.

[F.R. Doc. 60-5397; Filed, June 13, 1960; 8:51 a.m.]

[P.P.C. 627, 3d Rev.]

PART 301—DOMESTIC QUARANTINE NOTICES

Subpart—Witchweed

REVISED ADMINISTRATIVE INSTRUCTIONS DESIGNATING REGULATED AREAS

Pursuant to § 301.80-2 of the regulations supplemental to the witchweed quarantine (7 CFR 301.80-2), under section 106 of the Federal Plant Pest Act (7 U.S.C. 150ee) and sections 8 and 9 of the Plant Quarantine Act of 1912, as amended (7 U.S.C. 161, 162), administrative instructions appearing as 7 CFR 301.80-2a are hereby revised to read as follows:

§ 301.80-2a Administrative instructions designating regulated areas under the witchweed quarantine.

Infestations of the witchweed have been determined to exist, in the quarantined States, in the civil divisions and premises, or parts thereof, listed below, or it has been determined that such infestation is likely to exist therein, or it is deemed necessary to regulate such localities because of their proximity to infestation or their inseparability for quarantine enforcement purposes from infested localities. Accordingly, such civil divisions and premises, and parts thereof, and all highways and roadways abutting thereon, are hereby designated as witchweed regulated areas within the meaning of the provisions in this subpart:

NORTH CAROLINA

Bladen County. All of Bladen County.

Brunswick County. The B. Coda Smith farm located on the west side of a dirt road and 0.6 mile north of its junction with State Secondary Road 1322, said junction being 0.1 mile west of the junction of State Secondary Road 1322 and State Secondary Road 1321.

The John R. Russ farm located on both sides of State Secondary Road 1308 and 1 mile west of the junction of said road with State Highway 904 at Longwood.

Columbus County. That portion of the county lying north and west of a line beginning at a point where State Highway 211 intersects the Columbus-Bladen County Line and extending south along said highway to its junction with State Secondary Road 1740, thence southwest along said road to its intersection with U.S. Highways 74 and 76, thence west along said highways to their intersection with State Secondary Road 1001, thence south along said road to its junction with State Secondary Road 1924, thence west along said road to its junction with State Highway 130, thence west along said highway to its junction with State Secondary Road 1166, thence west along said road to its junction with State Secondary Road 1167, thence west along said road to its junction with U.S. Highway 701, thence south along said highway to its intersection with Beaverdam Swamp, thence west along said swamp to its intersection with State Secondary Road 1317, thence south along said road to its junction with State Secondary Road 1314, thence west along said road to its junction with State Secondary Road 1346, thence southwest along said road to its junction with the North Carolina-South Carolina State Line.

The A. J. Norris farm located on both sides of State Secondary Road 1134 and 1 mile south of its junction with State Secondary Road 1005.

The J. Carl Prince farm located on both sides of State Secondary Road 1119 and 2.2 miles west of its junction with State Secondary Road 1103.

Cumberland County. That portion of the county lying south and east of a line beginning at the intersection of the Cumberland-Hoke County Line and U.S. Highway 401 and extending east along said highway to its junction with U.S. Highway 301, thence northeast along said highway to its junction with State Secondary Road 1005, thence northeast along said road to its junction with the Cumberland-Bladen County Line, excluding the corporate limits of the city of Fayetteville.

The T. G. Green farm located on the west side of U.S. Highway 401 and 0.3 mile southwest of the intersection of said highway with State Secondary Road 1609.

The E. V. Nixon farm located on both sides of State Secondary Road 1706 and 1 mile south of the junction of said road with State Secondary Road 1609.

The J. T. Piner farm located on the west side of U.S. Highway 401 and 0.3 mile north of the junction of said highway with State Secondary Road 1600.

Duplin County. That area bounded by a line beginning at a point where State Highway 24 intersects the Duplin-Sampson County Line, thence north along said county line to its intersection with State Highway 403, thence northeast along said highway to its intersection with State Secondary Road 1004, thence southeast along said road to its junction with State Highway 11, thence southwest along said highway to its junction with State Highway 24, thence northwest along said highway to the point of beginning, excluding the corporate limits of the towns of Faison, Kenansville, and Warsaw.

The Paisly Bonham farm located on the north side of State Secondary Road 1977 and 1 mile west of Pin Hook.

Harnett County. That area bounded by a line beginning at a point where the Harnett-Lee County Line and State Secondary Road 1214 intersect and extending east along said road to its junction with State Secondary Road 1208, thence southeast along said road to its junction with State Highway 27, thence east along said highway to its junction with State Secondary Road 1117, thence south along said road to its junction with State Secondary Road 1128, thence east along said road to its junction with State Highway 210, thence northeast along said highway to its junction with State Secondary Road 2030, thence southeast along said road to its junction with State Secondary Road 2031, thence south along said road to its junction with the Harnett-Cumberland County Line, thence west along said county line to its junction with the Harnett-Moore County Line, thence northwest and northeast along said county line to its junction with the Harnett-Lee County Line, thence northeast along said county line to the point of beginning.

That area bounded by a line beginning at a point where State Highway 55 and State Secondary Road 1500 join and extending east along said road to the Harnett-Johnston County Line, thence south along said county line to its junction with State Secondary Road 1552, thence south along said road to its junction with State Highway 27, thence west along said highway to its intersection with State Secondary Road 1519, thence north along said road to its junction with State Secondary Road 1542, thence north along said road to its junction with State Highway 55, thence north along said highway to the point of beginning, excluding the corporate limits of the towns of Angier, Buies Creek, and Coats.

Hoke County. That portion of the county lying south and west of the southern and southwestern boundaries of Fort Bragg Military Reservation.

Johnson County. The D. C. Williams farm located on the south side of State Secondary Road 1128 and 0.2 mile east of the junction of said road and State Secondary Road 1124.

Lenoir County. That area bounded by a line beginning at a point where U.S. Highway 70 and State Secondary Road 1324 join and extending southwest and west along said road to its junction with State Secondary Road 1308, thence southwest along said road to its junction with State Secondary Road 1152, thence south along said road to its intersection with the Neuse River, thence west along said river to its intersection with the Lenoir-Wayne County Line, thence north along said county line to its intersection with U.S. Highway 70, thence east and southeast along said highway to the point of beginning, excluding the corporate limits of the town of LaGrange.

The Roland Carter farm located on the east side of State Highway 11 and 0.2 mile south of the junction of said highway and State Secondary Road 1113.

Pender County. That area bounded by a line beginning at a point where State Highway 53 intersects the Pender-Bladen County Line, thence northeast and east along said highway to its intersection with U.S. Highway 421, thence south along said highway to its intersection with State Secondary Highway 1120 at Malpass Corner, thence southwest along said highway to its junction with State Highway 210, thence southwest along said highway to its junction with State Secondary Road 1103, thence southeast along said road to its junction with State Secondary Road 1104, thence southwest and northwest along said road to the Pender-Bladen County Line, thence northeast and northwest along said county line to the point of beginning, excluding the corporate limits of the towns of Atkinson and Currie.

That area bounded by a line beginning at a point where State Secondary Road 1517 joins with U.S. Highway 117, thence northwest along said highway to its intersection with State Secondary Highway 1412, thence east along said highway to its junction with

State Secondary Road 1411, thence southwest along said road to its intersection with Pike Creek, thence southeast along said creek to its junction with the Northeast Cape Fear River, thence south along said river to its intersection with State Highway 210, thence southwest along said highway to its junction with State Secondary Road 1518, thence southeast along said road to its junction with State Secondary Road 1517, thence west along said road to the point of beginning.

The Katy Shaw farm located on the east side of State Secondary Road 1520 and 3.6 miles north of the junction of said road and State Highway 210, said junction being 1.1 miles northeast of the point where State Highway 210 crosses the Northeast Cape Fear River.

The John H. Williams and Heirs farm located on the east side of State Secondary Road 1520 and 2.7 miles north of the junction of said road and State Highway 210, said junction being 1.1 miles northeast of the point where State Highway 210 crosses the Northeast Cape Fear River.

Richmond County. The Mrs. A. W. Porter farm (formerly the A. M. Wadell farm) located on the northeast side of State Secondary Road 1999 and 1 mile east of the intersection of said road with U.S. Highway 1, said intersection being 1.2 miles southwest of Diggs.

Robeson County. All of Robeson County.

Sampson County. That area bounded by a line beginning at a point where State Highway 102 crosses the Sampson-Cumberland County Line and east along said highway to its intersection with State Secondary Road 1002, thence south along said road to its intersection with State Secondary Road 1006, thence southeast along said road to its junction with U.S. Highway 421, thence southeast along said highway to its intersection with State Highway 24, thence east along said highway to its intersection with the Sampson-Duplin County Line, thence south along said county line to its intersection with State Secondary Road 1003, thence west along said road to its junction with State Secondary Road 1134, thence south along said road to its junction with State Highway 411, thence west along said highway to its intersection with U.S. Highway 701, thence southwest along said highway to its intersection with the Sampson-Bladen County Line, thence northwest along said county line to the point of beginning, excluding the corporate limits of the town of Clinton, but including the corporate limits of the town of Garland.

The W. R. Balkcum farm located on the south side of State Secondary Road 1003 and 0.5 mile west of its junction with State Secondary Road 1129, said junction being 3 miles west of Delway.

The Kenneth Chambers farm located on the west side of State Secondary Road 1908 and 0.2 mile south of its intersection with the Sampson-Duplin County Line.

The George P. Cooper farm located on the west side of the Atlantic Coast Line Railroad and 1.2 miles southeast of the town of Garland.

The H. B. Jackson farm located on the west side of State Secondary Road 1607 and at its junction with State Secondary Road 1606.

The David Kenan farm located on the south side of State Secondary Road 1128 and 0.5 mile west of its junction with State Secondary Road 1127.

The Reigel Paper Company farm (formerly the Regal Paper Company farm) located on the west side of State Secondary Road 1908 and 50 yards south of its junction with the Sampson-Duplin County Line.

The Jasper Strickland farm located on the west side of State Secondary Road 1717 and 0.4 mile north of its junction with State Secondary Road 1722.

Scotland County. That area bounded by a line beginning at a point where U.S. Highway 401 crosses the North Carolina-South Carolina State Line and extending northeast along said highway to its junction with U.S. Highway 401A, thence north along said highway to its intersection with U.S. Highway 74, thence west along said highway to its intersection with State Secondary Road 1116, thence north along said road to its junction with State Secondary Road 1324, thence north along said road to its junction with State Secondary Road 1345, thence northeast along said road to its junction with State Secondary Road 1341, thence northeast along said road to its junction with State Secondary Road 1328, thence north along said road to its intersection with the southern boundary of the Sandhills Game Management Area, thence east along said boundary to its intersection with U.S. Highway 501, thence north along said highway to its intersection with the Scotland-Hoke County Line, thence southeast along said county line to the Scotland-Robeson County Line, thence south and southwest along said county line to the North Carolina-South Carolina State Line, thence northwest along said state line to the point of beginning, excluding the corporate limits of the town of Laurinburg.

Wayne County. That area bounded by a line beginning at a point where U.S. Highway 70 and the Wayne-Lenoir County Line intersect and extending south along said county line to its intersection with State Highway 55, thence northwest and southwest along said highway to its junction with State Secondary Road 1744, thence west along said road to its intersection with State Secondary Road 1941, thence west along said road to its intersection with the Atlantic Coast Line Railroad, thence north along said railroad to its intersection with State Secondary Road 1120, thence east along said road to its junction with State Secondary Road 1915, thence east along a line projected from a point beginning at the junction of State Secondary Roads 1120 and 1915 and extending east to the junction of said line with the junction of Sleepy Creek and Neuse River, thence east along the Neuse River to its intersection with State Highway 111, thence north along said highway to its junction with U.S. Highway 70, thence southeast along said highway to the point of beginning, excluding the corporate limits of the towns of Dudley and Seven Springs.

The Mrs. Robert Barwick farm (C. S. Pennington Estate) located on both sides of State Secondary Road 1109 and 0.6 mile east of its junction with State Secondary Road 1105, said junction being 1 mile north of the town of Dobbersville.

SOUTH CAROLINA

Darlington County. That area bounded by a line beginning at a point where the Great Pee Dee River and the Darlington-Florence County Line join and extending southwest along said county line to its intersection with State Secondary Highway 173, thence northwest along said highway to its junction with State Secondary Highway 228, thence northwest along said highway to its intersection with the Atlantic Coast Line Railroad, thence north along said railroad to its intersection with State Secondary Highway 29, thence east along said highway to its intersection with Hurricane Branch, thence northeast along said branch to its junction with Byrds Island, thence along the west and south boundary of Byrds Island to its junction with the Great Pee Dee River, thence south along said river to the point of beginning.

Dillon County. All of Dillon County.

Florence County. That area bounded by a line beginning at a point where the Great Pee Dee River and Jeffries Creek join and extending northwest along said creek to its junction with Claussen Creek, thence west along said creek to its intersection with State Secondary Highway 57, thence northwest along said highway to its junction with State Secondary Highway 89, thence north along said highway to its intersection with U.S. Highway 76, thence west along said highway to its junction with State Secondary Highway 925, thence north along said highway to its junction with State Secondary Highway 24, thence east and southeast along said highway to its junction with U.S. Highway 76, thence east along said highway to its intersection with the Great Pee Dee River, thence south along said river to the point of beginning.

That area bounded by a line beginning at a point where the Atlantic Coast Line Railroad and State Secondary Highway 57 intersect and extending eastward along said highway to its intersection with the Seaboard Air Line Railroad, thence southeast along said railroad to its intersection with State Secondary Highway 149, thence west along said highway to its intersection with State Primary Highway 327, thence west along said highway to its intersection with the Atlantic Coast Line Railroad, thence north along said railroad to the point of beginning.

That area bounded by a line beginning at a point where State Secondary Highway 66 and State Primary Highway 51 intersect and extending south along State Primary Highway 51 to the corporate limits of the town of Salem, thence around the western perimeter of said corporate limits to its intersection with a dirt road, said intersection being 0.2 mile south-southeast of the junction of said dirt road with U.S. Highway 378 and State Primary Highway 51, thence southeast along said dirt road to its intersection with Deep Creek, thence south along said creek to its junction with Lynches River, thence west along said river to its intersection with State Secondary Highway 49, thence north along said highway to its junction with State Secondary Highway 66, thence north and northeast along said highway to the point of beginning.

The R. Muldrow Matthews farm located on the east side of a dirt road and 0.9 mile northeast of the junction of said dirt road with State Secondary Highway 46, said junction being 0.6 mile southeast of Coward.

The Mrs. E. H. Miles farm located on the west side of a dirt road and 0.9 mile northeast of the junction of said dirt road and State Secondary Highway 46, said junction being 0.6 mile southeast of Coward.

The S. L. Yarborough farm located on both sides of State Secondary Highway 95 and 1.7 miles southeast of Sardis.

Horry County. That area bounded by a line beginning at a point where U.S. Highway 701 crosses the South Carolina-North Carolina State Line and extending south along said highway to its intersection with State Primary Highway 9, thence east and southeast along said highway to its junction with State Primary Highway 905, thence west along said highway to its junction with State Secondary Highway 31, thence south along said highway to its intersection with the Waccamaw River, thence westward along said river to its intersection with U.S. Highway 501, thence northwest along said highway to its intersection with the Little Pee Dee River, thence northeast along said river to its junction with the Lumber River, thence northeast along said river to its intersection with the South Carolina-North Carolina State Line, thence southeast along said state line to the point of beginning, excluding the corporate limits of the towns of Aynor, Conway, and Loris.

The Canal Wood Corporation farm located on the west side of a dirt road and 0.75 mile south of its junction with State Pri-

mary Highway 90, said junction being 1.25 miles west of the junction of said highway and State Secondary Highway 57.

The Ben Edge farm located on the south side of State Primary Highway 90 and at the junction of said highway and State Secondary Highway 31.

Marion County. That area bounded by a line beginning at a point where the Marion-Dillon County Line and the Lumber River join and extending southwest along said river to its intersection with U.S. Highway 76, thence northwest and southwest along said highway to its junction with State Secondary Highway 31, thence southwest along said highway to its junction with State Primary Highway 41, thence southwest along said highway to its junction with State Secondary Highway 33, thence west along said highway to its junction with State Primary Highway 41A, thence north along said highway to its junction with State Highway 389, thence north along said highway to its junction with U.S. Highway 501, thence northwest and north along said highway to its intersection with State Secondary Highway 263, thence west along said highway to its intersection with Catfish Canal, thence north along said canal to the Marion-Dillon County Line, thence eastward along said county line to the point of beginning, excluding all the corporate limits of the towns of Marion and Mullins, except the W. P. Clark farm located on Marion Street in the town of Mullins and one block south of the Mullins Armory.

That area bounded by a line beginning at a point where U.S. Highway 301 crosses the Marion-Florence County Line and extending north along said county line to its junction with the Marion-Dillon County Line, thence north and east along said county line to its junction with the first dirt road, thence east along said dirt road to its junction with U.S. Highway 301, thence south along said highway to its junction with State Secondary Highway 64, thence southeast along said highway to its junction with the first dirt road on the east side of said highway, thence east, southeast, and southwest along said dirt road to its junction with State Secondary Highway 64, thence southeast along said highway to its junction with State Secondary Highway 38, thence east along said highway 1.2 miles to a point, thence south along a line projected from said point to the head of the left fork of Pot Swamp, thence south along said swamp to its intersection with U.S. Highway 76, thence west along said highway to its junction with State Secondary Highway 64, thence due southwest along a line projected from said intersection to the Marion-Florence County Line, thence northwest and north along said county line to the point of beginning.

That area bounded by a line beginning at a point where State Primary Highway 9 and State Secondary Highway 40 join and extending southeast along State Secondary Highway 40 to its junction with State Secondary Highway 47, thence southwest along said highway to its junction with State Primary Highway 9, thence south along said highway to its junction with U.S. Highway 378, thence southwest along said highway to its intersection with the Great Pee Dee River, thence northwest along said river to its junction with Catfish Creek, thence north along said creek to its junction with Collins Creek, thence east, and southeast along said creek to its junction with State Primary Highway 9, thence southwest along said highway to the point of beginning.

That area bounded by a line beginning at a point where U.S. Highway 378 and State Secondary Highway 86 join and extending north along State Secondary Highway 86 for 0.4 mile to its intersection with a stream, thence east along said stream to its junction with the Little Pee Dee River, thence southward along said river to its junction with the Sampson Landing Road, thence west along said road to its junction with State Secondary Road 49, thence northwest along said road to its junction with U.S. Highway 378, thence southeast along said highway to the point of beginning.

The William Davis farm located on the southwest side of a dirt road and 1.5 miles northwest of its junction with State Secondary Highway 9, said junction being 0.5 mile northeast of the junction of said highway and State Secondary Highway 40.

The James Ford farm located on the southeast side of U.S. Highway 76 and 1.1 miles northeast of its junction with State Secondary Highway 309.

The Paul Richardson farm located on the southeast side of State Secondary Highway 207 and 1.35 miles southwest of its junction with State Primary Highway 908.

The Alma F. Rowell farm located on the southeast side of State Primary Highway 41 and 1.75 miles northeast of its junction with State Primary Highway 41A.

The Harry Sellers farm located on the west side of U.S. Highway 301 in the town of Sellers.

Marlboro County. That portion of the county lying south and east of U.S. Highway 15, excluding the corporate limits of the towns of Bennettsville, McColl, and Tatum.

The Marvin Strong farm located on the south side of the South Carolina-North Carolina State Line and 1.3 miles east of its junction with State Primary Highway 77.

Williamsburg County. The S. Wayne Gamble farm located on both sides of State Primary Highway 375 and 2 miles southeast of its intersection with U.S. Highway 52.

(Sec. 9, 37 Stat. 318, sec. 106, 71 Stat. 33; 7 U.S.C. 162, 150ee; 19 F.R. 74, as amended; 7 CFR 301.80–2. Interprets or applies sec. 8, 37 Stat. 318, as amended; 7 U.S.C. 161)

These revised administrative instructions shall become effective June 14, 1960, when they shall supersede P.P.C. 627, 2d Revision, May 28, 1959 (7 CFR 301.80–2a).

One of the purposes of this revision is to extend the regulated areas to include for the first time parts of Brunswick, Johnston, and Lenoir Counties, North Carolina; and part of Williamsburg County, South Carolina. Also, additions have been made to the areas now regulated in Bladen, Columbus, Cumberland, Duplin, Harnett, Hoke, Pender, Sampson, and Scotland Counties, North Carolina; and Darlington, Florence, Horry, Marion, and Marlboro Counties, South Carolina.

These instructions should be made effective as soon as possible in order to be of maximum benefit in preventing the interstate spread of witchweed infestations. Accordingly, it is found upon good cause that notice and other public procedure under section 4 of the Administrative Procedure Act (5 U.S.C. 1003) are impracticable and unnecessary, and good cause is found for making the instructions effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 8th day of June 1960.

[SEAL] L. F. CURL,
Acting Director,
Plant Pest Control Division.

[F.R. Doc. 60–5398; Filed, June 13, 1960; 8:51 a.m.]

Chapter IV—Federal Crop Insurance Corporation, Department of Agriculture

PART 401—FEDERAL CROP INSURANCE

Subpart—Regulations for the 1961 and Succeeding Crop Years

COUNTIES DESIGNATED FOR RICE CROP INSURANCE; APPENDIX

Pursuant to authority contained in § 401.1 of the above-identified regulations, as amended, the following counties are hereby added to the list of counties published May 18, 1960, which were designated for rice crop insurance for the 1961 crop year.

TEXAS

Fort Bend.
Wharton.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] F. N. MCCARTNEY,
Manager,
Federal Crop Insurance Corporation.

[F.R. Doc. 60–5368; Filed, June 13, 1960; 8:47 a.m.]

PART 401—FEDERAL CROP INSURANCE

Subpart—Regulations for the 1961 and Succeeding Crop Years

COUNTIES DESIGNATED FOR SOYBEAN CROP INSURANCE; APPENDIX

Pursuant to authority contained in § 401.1 of the above-identified regulations, as amended, the following counties are hereby added to the list of counties published May 18, 1960, which were designated for soybean crop insurance for the 1961 crop year.

ARKANSAS

St. Francis.

ILLINOIS

Grundy.
Winnebago.

MISSISSIPPI

Quitman.

MISSOURI

Daviess.
De Kalb.
Monroe.

TENNESSEE

Lake.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] F. N. MCCARTNEY,
Manager,
Federal Crop Insurance Corporation.

[F.R. Doc. 60–5369; Filed, June 13, 1960; 8:47 a.m.]

PART 401—FEDERAL CROP INSURANCE

Subpart—Regulations for the 1961 and Succeeding Crop Years

COUNTIES DESIGNATED FOR WHEAT CROP INSURANCE; APPENDIX

Pursuant to authority contained in § 401.1 of the above-identified regulations, as amended, the following counties

are hereby added to the lists of counties published December 29, 1959, and May 18, 1960, which were designated for wheat crop insurance for the 1961 crop year.

CALIFORNIA

Colusa.

IDAHO

Gooding.
Jerome.

MISSOURI

De Kalb.
Monroe.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] F. N. MCCARTNEY,
Manager,
Federal Crop Insurance Corporation.

[F.R. Doc. 60-5370; Filed, June 13, 1960; 8:47 a.m.]

PART 401—FEDERAL CROP INSURANCE

Subpart—Regulations for the 1961 and Succeeding Crop Years

COUNTIES DESIGNATED FOR BARLEY CROP INSURANCE; APPENDIX

Pursuant to authority contained in § 401.1 of the above-identified regulations, as amended, the following counties are hereby added to the lists of counties published December 29, 1959, and May 18, 1960, which were designated for barley crop insurance for the 1961 crop year.

IDAHO

Gooding.
Jerome.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] F. N. MCCARTNEY,
Manager,
Federal Crop Insurance Corporation.

[F.R. Doc. 60-5367; Filed, June 13, 1960; 8:46 a.m.]

Chapter VII—Commodity Stabilization Service (Farm Marketing Quotas and Acreage Allotments), Department of Agriculture

PART 730—RICE

Subpart—Rice Marketing Quota Regulations for 1958 and Subsequent Crop Years

GENERAL

AUTHORITY: §§ 730.950 to 730.995 issued under secs. 301, 351-356, 362-368, 372-376, 52 Stat. 38, as amended, 60, as amended, 61, as amended, 62, as amended, 63, as amended, 64, 65, as amended, 66, as amended; sec. 106, 70 Stat. 191; 7 U.S.C. 1301, 1351-1356, 1362-1368, 1372-1376, 1824.

GENERAL

§ 730.950 Basis and purpose.

(a) *Subject Matter.* The regulations contained in §§ 730.950 to 730.995, are issued pursuant to and in accordance with the Agricultural Adjustment Act of 1938, as amended, and govern the following provisions for the 1958 and subsequent crops of rice: The establishment of farm normal yields; the measurement of farms and the final dates for the disposal of excess acreage; the amount, adjustment, and review of the farm marketing quota and farm marketing excess; the issuance of marketing cards and certificates; the identification of marketings of rice as subject to or not subject to the penalty and lien for the penalty; the rate of the penalty and the manner in which penalties shall be paid by producers and buyers; the refunding of penalty overpayments; the postponement or avoidance of penalty on excess rice by storage, by underplanting the allotment or producing a less than normal crop in a subsequent year, or by delivery to the Secretary of Agriculture; the records and reports required to be made by rice producers and handlers; and special provisions and exemptions applicable to farms on which the acreage of nonirrigated rice is three acres or less, rice produced by publicly-owned experiment stations, and rice planted for wildlife feed.

(b) *Public notice.* Prior to issuing the regulations contained in §§ 730.950 to 730.995, public notice (25 F.R. 3530) of the Department's intention to formulate and issue amendments to these rice marketing quota regulations was given in accordance with the Administrative Procedure Act (5 U.S.C. 1003). These amendments cover (1) a change in the provision permitting a producer to pay a proportionate part of the penalty or to store or deliver a proportionate part of the excess to avoid or postpone the penalty so as to continue the liability of such producer for the remainder of the penalty on the farm marketing excess notwithstanding the apportionment; (2) deletion of certain provisions with respect to the measurement of farms and definitions of certain terms, since such provisions are now included in Part 718 of this chapter—Determination of Acreage and Performance (22 F.R. 3747), and Part 719 of this chapter—Reconstitution of Farms, Farm Allotments, and Farm History and Soil Bank Base Acreages (23 F.R. 6731), and amendments thereto; (3) delegation of certain administrative functions to the county office manager that were previously assigned to the county committee; (4) assignment of specific functions relating to the handling of marketing quota penalties to the county office manager instead of to the treasurer of the county committee; (5) deletion of certain language with respect to the sale of rice obtained by redemption of soil bank delivery orders (CCC Form 382 or CCC Form 103); and (6) miscellaneous changes in language for the purpose of clarification and to obtain uniformity between the rice marketing quota regulations and marketing quota regulations applicable to other basic commodities. No data, views or recommendations pertaining to these changes were received pursuant to such notice. In view of the fact that the changes in language and other changes were rather general and would have required innumerable

amendments to the regulations, the regulations have been completely revised and reissued to include all such changes.

(c) *Effective date.* The revised regulations herein shall become effective beginning with the 1960 crop of rice. The regulations approved April 25, 1958, and published in the FEDERAL REGISTER on May 1, 1958 (23 F.R. 2897; §§ 730.950 to 730.995), as amended, shall remain in effect and apply to the 1958 and 1959 crops of rice.

§ 730.951 Definitions.

As used in the regulations in this subpart and in all instructions, forms and documents in connection therewith, the words and phrases defined in this section shall have the meaning assigned to them herein unless the context or subject matter otherwise requires. The following words or phrases are defined in Part 719 of this chapter, Reconstitution of Farms, Farm Allotments, and Farm History and Soil Bank Base Acreages (23 F.R. 6731) and any amendments thereto, and shall have the meaning assigned to them by such regulations: community committee, county committee, county office manager, Department, farm, operator, person, producer, Secretary, State administrative officer and State committee. The phrase, expiration of time limitations, is defined in Part 720 of this chapter, General Policy and Interpretations (24 F.R. 4233) and shall have the meaning assigned to it therein.

(a) "Act" means the Agricultural Adjustment Act of 1938, and any amendments or supplements thereto.

(b) "Actual production" of any number of acres of rice on a farm means the actual average yield per acre for the farm times such number of acres.

(c) "Actual yield" means the number of pounds of rice determined by dividing the number of pounds of rice produced on the farm by the rice acreage on the farm.

(d) "Administrator" means the Administrator, Commodity Stabilization Service, United States Department of Agriculture, who is responsible to the Assistant Secretary in charge of agricultural stabilization for the general direction and supervision of programs assigned to the Commodity Stabilization Service.

(e) "Attorney-in-Charge" means the person in charge of the field office or branch office of the Office of the General Counsel, United States Department of Agriculture, serving the area in which the Agricultural Stabilization and Conservation State office is located.

(f) "Buyer" means a person who buys rice.

(g) "County office" means the office of the Agricultural Stabilization and Conservation county committee.

(h) "Crop year" means the calendar year in which the rice crop is produced.

(i) "Director" means the Director of the Grain Division, Commodity Stabilization Service, United States Department of Agriculture.

(j) "Excess rice acreage" means the rice acreage determined for the farm which is in excess of the farm rice acreage allotment.

(k) "Farm acreage allotment" means the rice acreage allotment established for the farm in accordance with applicable regulations.

(l) "Farm marketing excess" means the amount of rice determined for any farm under § 730.959 or § 730.962, whichever is applicable.

(m) "Farm marketing quota" means the rice marketing quota established for the farm under § 730.958.

(n) "Intermediate buyer" means any buyer or transferee who purchases or acquires any rice prior to the time the rice so purchased or acquired has been marketed either (1) to a warehouseman, mill operator, or processor, or (2) to any other grain dealer who conducts his business in a manner substantially the same as a warehouseman or mill operator.

(o) "Market" means to dispose of rice in raw or processed form, by voluntary or involuntary sale, barter, or exchange, or by gift.

(1) The terms "marketed", "marketing", and "for market" shall have meaning corresponding to the term "market" in the connection in which they are used.

(2) The term "sale" means any transfer of title to rice by a producer by any means other than barter, exchange or gift. The penalty on excess rice is due regardless of what use is made of the excess rice.

(3) The terms "barter" and "exchange" mean transfer of title to rice by a producer in return for rice or any other commodity, service, or property, in cases where the value of the rice or such other commodity, service, or property is not considered in terms of money, or the transfer of title to rice by a producer in payment of a fixed rental or other charge for land, or the payment of an amount of rice in lieu of a cash charge for harvesting or milling rice (commonly called "toll rice").

(4) The term "gift" means any transfer of title to rice accompanied by delivery of the rice by a producer which takes effect immediately and irrevocably and is made without any consideration or compensation therefor.

(p) "Marketing year" means the period beginning August 1 and ending July 31 of the following year, both dates inclusive.

(q) "Normal production" of any number of acres of rice on a farm means the normal yield of rice for the farm times such number of acres.

(r) "Normal yield" means the number of pounds per acre of rice established as the normal yield per acre for the farm under § 730.953.

(s) "Penalty" means the penalty referred to in § 730.972.

(t) "Regional attorney" means the person in charge of the regional office of the General Counsel, United States Department of Agriculture, serving the area in which the Agricultural Stabilization and Conservation State office is located.

(u) "Representative of the State committee" means a member of the State committee or any employee of the State committee.

(v) "Review committee" means the committee appointed by the Secretary of Agriculture to review farm marketing quotas as provided in section 363 of the act.

(w) "Rice" as used in the regulations of this subpart means rough rice with a maximum moisture content of 14 percent. Rice with a moisture content in excess of 14 percent will be adjusted to the equivalent of 14 percent moisture content.

(x) "Rice acreage" means the acreage planted to rice and the acreage of volunteer rice which reaches maturity, excluding (1) any acreage of nonirrigated rice produced on any farm on which such acreage is three acres or less, (2) any acreage of sweet, glutenous, or candy rice, commonly known as Mochi Gomi, (3) any acreage of rice grown for experimental purposes only by or under contract to a publicly-owned agricultural experiment station, (4) any acreage of rice in excess of the allotment on a wildlife refuge farm consisting solely of Federal or State-owned land: *Provided,* That such acreage is not harvested, but is left on the land for wildlife feed, (5) any acreage planted to rice in excess of the farm rice acreage allotment, or, when applicable, the permitted acreage of rice under a conservation reserve contract under the soil bank program, which is destroyed or otherwise handled or treated (by the producer or from some cause beyond his control) not later than the final date for the disposal of excess acreage as provided in § 730.955(b) of the rice marketing quota regulations for 1958 and subsequent crop years (23 F.R. 2897), and any amendments thereto, so that rice cannot be harvested therefrom, and (6) any acreage seeded to rice outside of the field border levee where such levee is bounded by a fence or other barrier which would make it impossible to harvest or destroy the rice from such area by mechanical means, and any acreage seeded to rice inside of drainage ditch banks where the topography would make it impossible to harvest or destroy the rice from such acreage by mechanical means: *Provided,* That the seeding operations have been performed with an end gate seeder or by airplane.

(y) "State office" means the office of the Agricultural Stabilization and Conservation State committee.

(z) "Transferee" means a person who acquires rice from a producer or any other person by barter, exchange, or gift.

§ 730.952 Instructions and forms.

The Director shall cause to be prepared and issued such forms as are necessary and shall cause to be prepared such instructions with respect to internal management as are necessary for carrying out the regulations in this part. The forms and instructions shall be approved by, and the instructions shall be issued by, the Deputy Administrator for Production Adjustment, Commodity Stabilization Service.

§ 730.953 Normal yields.

(a) *Farms for which normal yields will be determined.* The county committee shall determine a normal yield for each farm for which a farm marketing excess is required to be determined for any crop year, for each farm for

which a request is made to the county committee by the operator, either prior to or after seeding, and for each farm as required for the purposes of the provisions of § 730.980 (h) and (i). Determination of farm normal yields shall be documented and such determination, subject to review and revision, shall be approved by the State committee, or by the State administrative officer, program specialist, or farmer fieldman. No notice of a farm normal yield shall be mailed to a producer until the yield has been approved as provided in this paragraph.

(b) *Yields based on reliable records.* Where reliable records of the actual average yield in pounds per harvested acre for all of the five calendar years immediately preceding the calendar year for which the yield is determined are available to the county committee, the normal yield per acre of rice for the farm shall be determined to be the average of such yields adjusted for abnormal weather conditions and for trends in yields.

(c) *Appraised yields.* If for any year of such 5-year period data are not available or there was no actual yield, then the normal yield (per harvested acre of rice) for the farm shall be appraised by the county committee taking into consideration abnormal weather conditions during such 5-year period, trends in yields, the normal yield for the county, the yields obtained on adjacent farms during such year and the yield in years for which data are available. If on the account of drought, flood, insect pests, plant disease, or other uncontrollable natural cause, the yield for any year of such period is less than 75 per centum of the average, 75 per centum of such average shall be substituted therefor in calculating the normal yield per acre for the farm. If, on account of abnormally favorable weather conditions, the yield for any year of such period is in excess of 125 per centum of the average, 125 per centum of such average shall be substituted therefor in calculating the normal yield per acre for the farm.

MEASUREMENT OF FARMS AND FINAL DATES FOR DISPOSAL OF EXCESS ACREAGE

§ 730.954 Measurement of farms.

(a) *Farms which are to be measured.* Provisions shall be made for the measurement of all farms in the county having a rice acreage allotment and any other farm in the county on which the county committee has reason to believe there is rice which could be available for harvest, regardless of its intended use, for the purpose of ascertaining with respect to each of such farms the acreage of rice and whether such acreage is in excess of the farm acreage allotment. Measurement shall be made under the general supervision of the county committee in accordance with Part 718 of this chapter, Determination of Acreage and Performance (22 F.R. 3747), and any amendments thereto.

(b) *Water company measurements.* Notwithstanding other provisions of this section, acreage measurements made by employees of water or irrigation companies to determine water charges may be used in lieu of or in connection with measurements by a reporter, where available and authorized by the State committee: *Provided,* That (1) substantially all of the rice acreage will be determined by the water or irrigation company; (2) the county committee is willing to accept such measurements; (3) a random spot check of a sufficient number of the company determinations is made to establish acceptability of such acreage determinations; (4) a conservation reserve contract is not in effect on the farm; and (5) the water or irrigation company does not share in the rice crop on the farm.

§ 730.955 Notice of excess acreage and final dates for disposal of excess acreage.

(a) *Notice of excess acreage.* The provisions of Part 718 of this chapter, Determination of Acreage and Performance (22 F.R. 3747), and any amendments thereto, relating to notices to farm operators, shall be applied when notifying farm operators of excess acreage.

(b) *Final date for the disposal of excess acreage.* The final dates determined by the Administrator, for the disposal of excess rice acreage are considered to be not later than 30 days prior to the date rice harvest normally begins in the county or State. The dates for each crop year in each county or area of a county by which excess rice must be destroyed or otherwise handled or treated (by the producer or from some cause beyond his control) so that rice cannot be harvested therefrom, unless extended as provided in Part 718 of this chapter, Determination of Acreage and Performance (22 F.R. 3747), and any amendments thereto, are as follows:

Arkansas: August 1.
California: September 1.
Florida: October 15.
Illinois: September 15.
Louisiana: August 1.
Mississippi: August 15.
Missouri: August 15.
North Carolina: August 31.
Oklahoma: August 15.
South Carolina:
  All counties for rice planted on or about March 15: August 1.
  All counties for rice planted on or about May 15: September 15.
  All counties for rice planted on or about June 15: October 15.
Tennessee: August 31.
Texas:
  All counties except Bowie: July 15.
  Bowie County: September 1.

§ 730.956 Reports and records of farm measurements.

A record shall be kept in the county office of the measurements made on all farms. There shall be filed with the State office a written report setting forth for each farm for which a farm marketing excess is determined (a) the farm serial number, (b) the name of the operator, (c) name of each producer, (d) the total acreage in cultivation, (e) the farm acreage allotment, (f) the rice acreage, (g) the farm normal yield, and (h) the farm marketing excess in pounds.

FARM MARKETING QUOTA AND FARM MARKETING EXCESS

§ 730.957 Marketing quotas in effect.

Marketing quotas when effective with respect to a particular crop of rice shall be applicable in the continental United States. Such quotas shall be applicable to any rice of that crop notwithstanding that it may be available for market prior to the beginning of the marketing year or subsequent to the end of the marketing year.

§ 730.958 Farm marketing quota.

The farm marketing quota for any farm for any crop of rice shall be that number of pounds of rice produced less the amount of the farm marketing excess for the farm.

§ 730.959 Farm marketing excess.

The farm marketing excess for any crop of rice for any farm shall be the normal production of the rice acreage on the farm in excess of the farm acreage allotment therefor: *Provided,* That the farm marketing excess for any crop shall not be larger than the amount by which the actual production of such crop of rice on the farm exceeds the normal production of the farm rice acreage allotment if the producer establishes such actual production as provided in § 730.962.

§ 730.960 Notice of farm marketing excess.

Written notice of the farm marketing quota and farm marketing excess for a farm shall be mailed to the operator of each farm for which a farm marketing excess is determined. Notice so given shall constitute notice to each producer having an interest in the rice crop produced or to be produced on the farm. A copy of such notice shall also be mailed on the same day to each other rice producer on the farm as shown on county office records. Each notice shall contain a brief statement of the procedure whereby application for a review of the farm marketing quota, farm marketing excess, or any determination made in connection therewith may be had in accordance with section 363 of the act. A record of each notice containing the date of mailing the notice to the operator of the farm shall be kept among the permanent records in the county office and upon request a copy thereof shall be furnished without charge to any person who as operator, landlord, tenant, or sharecropper is interested in the rice produced on the farm for which the notice is given. Each notice shall be on a Form MQ–93–Rice and shall contain the information necessary in each case to inform the producer as to the basis for the determinations set forth in the notice and the effect thereof and shall be signed by a member of the county committee on behalf of the county committee.

§ 730.961 Farms for which proper notice of the farm marketing quota and farm marketing excess of rice was not issued.

Where, for any reason, proper notice of the farm marketing quota and farm

marketing excess and of the producer's right to obtain a downward adjustment in the farm marketing excess for his farm on account of actual production, and of his right to store or deliver to the Secretary the farm marketing excess of rice established for the farm, was not issued to the producer in sufficient time to allow him 30 days prior to the time in which he was required to make application for a downward adjustment, or to store or deliver to the Secretary the farm marketing excess, as prescribed by §§ 730.960, 730.962, 730.980, and 730.981, the producer shall be so notified by the county committee on Form MQ–93—Rice and the producer may, within 30 days from the date such notice is mailed to him, apply to the county committee for a downward adjustment in the amount of the farm marketing excess and may, within 30 days from the date such notice is mailed, store or deliver to the Secretary the farm marketing excess as provided in §§ 730.962, 730.980, and 730.981. In the event application for downward adjustment in the farm marketing excess is made by the producer, a revised notice on Form MQ–93—Rice with a copy of the determination of the county committee as provided in § 730.962(b) shall be mailed to the operator of the farm, to the applicant if he is not such operator, and to all other interested producers.

§ 730.962 Farm marketing excess adjustment.

(a) *Adjustment in the amount of the farm marketing excess.* (1) Any producer having an interest in the rice produced on any farm for which there is an excess may (i) within 60 days after the harvesting of rice is normally substantially completed in the county or area in the county in which the farm is situated or within 30 days after a late notice of farm marketing quota and farm marketing excess is mailed, as provided in § 730.961, apply in writing to the county office for a downward adjustment in the amount of the farm marketing excess on the basis of the amount of rice produced on the farm in the applicable crop year, or (ii) apply in writing to the county office at any time prior to the institution of court proceedings to collect the penalty for a determination that there was no farm marketing excess for the farm because the actual production of rice on the farm was not in excess of the normal production of the acreage allotment.

(2) The date on which the harvesting of rice is normally substantially completed in the county or area in the county shall be determined by the Administrator. Unless application for an adjustment in the farm marketing excess is made prior to the expiration of 60 calendar days next succeeding that date or within 30 days after a late notice of farm marketing quota and farm marketing excess is mailed as provided in § 730.961 or unless prior to the institution of court proceedings to collect the penalty with respect to the farm it is determined that there was no farm marketing excess for the farm, the farm marketing excess for any farm in the county as determined on the basis of the normal production of the excess rice acreage for the farm shall be final as to the producers on the farm. A record of each application so made and the date thereof shall be maintained in the county office. The county committee shall establish a time and a place at which each application will be considered and the applicant shall be notified of the time and place of the hearing. Insofar as practicable, applications shall be considered in the order in which made.

(3) The established date on which rice harvest is normally substantially completed has been determined as aforesaid in rice-producing counties to be as follows:

Arkansas: November 15.
California: November 30.
Florida: November 30.
Illinois: October 15.
Louisiana: November 1.
Mississippi: October 31.
Missouri: October 1.
North Carolina: November 1.
Oklahoma: November 15.
South Carolina; November 1.
Tennessee: November 1.
Texas: October 20.

(b) *Procedure in connection with an application for an adjustment in the farm marketing excess.* (1) The county committee shall consider each application on the basis of facts known by or made available to it and on the basis of such evidence as may be presented to it by the applicant.

(2) The actual production of any farm shall be determined in view of the relevant facts, including the past production on the farm; the actual yields during the same year of other farms in the community; the actual and normal yields of other farms in the community which are similar with regard to farming practices followed, type of soil, and productivity; the harvesting, processing, sales, and storage of the commodity produced on the farm; farming practices followed on the farm; and weather and other factors affecting the production of rice on the farm and in the locality in which the farm is situated. In determining actual production, the county committee shall include, in addition to the actual production of the harvested acreage, the estimated production of any unharvested acreage which has been classified as rice acreage, unless the county committee determines that no rice could be harvested in any manner from the unharvested excess acreage after approval of the downward adjustment.

(3) In the consideration of any application for an adjustment in the farm marketing excess, the producer shall have the burden of proof. The evidence presented by the applicant may be in the form of written statements or other documentary evidence, or of oral testimony in a hearing before the county committee during its consideration of the application. In order to expedite the consideration of applications, the county committee shall receive, in advance of the time fixed for consideration of the application, any written statement or documentary evidence offered by or on behalf of the applicant, and the application may be disposed of upon the basis of such statement or evidence, together with other information bearing on or establishing the facts which are available to the county committee, unless the applicant appears before the county committee at the time fixed for considering the application and requests a hearing for the purpose of offering documentary evidence or oral testimony in support of the application. Every such hearing shall be open to the public.

(4) The county committee shall make its determination in connection with each application not later than five calendar days next succeeding the day on which the consideration was concluded. The determination of the county committee shall be in writing and shall contain (i) a concise statement of the grounds upon which the applicant sought an adjustment in the amount of the farm marketing excess, (ii) a concise statement of the findings of the county committee upon the questions of fact, and (iii) the determination of the county committee as to the farm marketing quota and the farm marketing excess. A revised notice on Form MQ–93–Rice with a copy of the determination made as aforesaid shall be mailed to the operator of the farm, to the applicant if he is not such operator, and to all other interested producers.

(5) All county committee determinations made in connection with applications for adjustment in the farm marketing excess, subject to review and revision, shall be approved by the State committee or by the State administrative officer, program specialist, or farmer fieldman. No notice of the determination shall be mailed to the operator until the determination has been approved as provided in this subparagraph.

(c) *Adjustment where no rice is produced.* Notwithstanding the foregoing provisions of this section, whenever the county committee determines that no rice has been or will be produced in a particular crop year on a farm for which a farm marketing excess has been determined, the county committee may adjust the farm marketing excess and notify the operator of such adjustment as provided in paragraph (b) of this section, without the necessity of an application by the producer.

§ 730.963 Publication of the farm acreage allotments, marketing quotas, and marketing excesses.

A record of the farm acreage allotments, farm marketing quotas, and farm marketing excesses established for farms in the county shall be made and kept freely available for public inspection in the county office.

§ 730.964 Marketing quotas not transferable.

A farm marketing quota established for a farm may not be assigned or otherwise transferred in whole or in part to any other farm.

§ 730.965 Successors in interest.

Any person who succeeds to the interest of a producer in a farm or in a rice crop produced on a farm for which a farm marketing quota and farm mar-

keting excess were established shall, to the same extent as his predecessor, be entitled to all the rights and privileges incident to such marketing quota and marketing excess and be subject to the restrictions on the marketing of rice. However, a successor to a deceased producer shall not be personally liable for an unpaid marketing quota penalty incurred by the producer prior to his death, but a suit may be brought to enforce the lien for the penalty against the rice. If a successor in interest should acquire from a deceased producer rice subject to lien for the penalty, no marketing card or marketing certificate shall be issued to permit the successor in interest to market the rice penalty free until the penalty has been satisfied.

§ 730.966 Review of quotas.

(a) *Right to review by review committee.* Any producer who is dissatisfied with the farm acreage allotment, normal yield, farm marketing quota, farm marketing excess, or other determination for his farm in connection with marketing quotas, may, within 15 calendar days after the notice thereof was mailed to him, apply in writing for a review by a review committee of such acreage allotment, normal yield, farm marketing quota, farm marketing excess or other determination in connection therewith: *Provided,* That if a review hearing has been held and determination made by a review committee with respect to the acreage allotment, normal yield, farm marketing quota, farm marketing excess, or other determination in connection therewith, no application by a producer for further review by a review committee with respect to such determination may be filed. Unless application for review is made within such period, the acreage allotment, normal yield, farm marketing quota, farm marketing excess, or other determination, as the case may be, shall be final as to the producers on the farm. Application for review and the review committee proceedings shall be in accordance with Part 711 of this chapter, Marketing Quota Review Regulations (21 F.R. 9365), and any amendments thereto.

(b) *Action by county committee prior to review hearing.* Action shall be taken by the county committee prior to the review hearing in accordance with Part 711 of this chapter, Marketing Quota Review Regulations (21 F.R. 9365), and any amendments thereto, relating to examination by county committee.

(c) *Court review.* If the producer is dissatisfied with the determination of the review committee he may, within 15 days after notice of such determination is mailed to him by registered mail, institute proceedings against the review committee to have the determination of the review committee reviewed by a court in accordance with section 365 of the act.

MARKETING CARDS AND MARKETING CERTIFICATES

§ 730.967 Issuance of marketing cards.

(a) *Producers eligible to receive marketing cards.* The operator and all other producers on a farm shall be eligible to receive a marketing card (MQ–76—Rice) for the applicable year if (1) no farm marketing excess is determined for the farm, (2) an amount equal to the penalty on the farm marketing excess has been received from the producer or any buyer as provided in § 730.975 or § 730.976, (3) the farm marketing excess is stored, as provided in § 730.980, or (4) the amount of the farm marketing excess has been delivered to the Secretary, as provided in § 730.981. A marketing card shall not be issued until the performance report (CSS–578) has been signed by the operator or his representative. Marketing cards will be delivered to producers at the county office, except that if the county office manager determines that it would facilitate the administration of the act, and he has reason to believe that the marketing card will be used, marketing cards may be mailed to the producers entitled thereto. Each marketing card shall be serially numbered and shall show the serial number of the farm, the name and address of the producer to whom issued, the name and address of the county office and the actual or facsimile signature of the county office manager. The facsimile signature provided for herein may be affixed by a county office employee.

(b) *Producers ineligible to receive marketing cards.* The producers on a farm shall be ineligible to receive marketing cards: (1) If any producer on the farm owes any penalty for excess rice in any preceding crop year, (2) if determination of the rice acreage has not been made and has been prevented by any producer on the farm, and (3) if the farm marketing excess determined under § 730.959 is adjusted under § 730.962. A producer shall not be considered to owe any penalty under subparagraph (1) of this paragraph if he has avoided or postponed payment of the penalty through storage of excess rice in accordance with applicable regulations.

(c) *Multiple farm producers eligible to receive marketing cards.* Any producer who is a rice producer on more than one farm in a county shall not be eligible to receive a marketing card for any such farm in the county until, in accordance with the provisions of paragraphs (a) and (b) of this section, he is eligible to receive a marketing card for each of such farms. However, only one rice marketing card need be issued to a producer who has an interest in the rice crop on more than one farm in the county, provided (1) the farm serial numbers of all such farms are entered on the marketing card, (2) the producer is eligible to receive a marketing card on each farm in the county in which he has an interest in the rice crop, and (3) the producer has not received a marketing certificate pursuant to the provisions of § 730.975(c) on any such farm. The other producers on a farm for which the multiple farm producer would otherwise be eligible to receive a marketing card shall be eligible to receive marketing cards with respect to the farm notwithstanding the ineligibility of the multiple farm producer to receive a marketing card. Where a producer is engaged in the production of rice in more than one county (in the same State or in two or more States), the regulations outlined in this section for issuing marketing cards for multiple farms in a county may be followed with respect to all such farms, wherever situated, if the county committees of the respective counties or the State committee determines that the procedure would be necessary to enforce the provisions of the act. The State committee may require any multiple farm producer to file with it a list of all farms on which he is engaged in the production of rice, together with any other information deemed necessary to enforce the act.

(d) *Use of marketing cards.* The serial number of the farm or farms for which a marketing card is issued shall be entered on the marketing card. A marketing card shall not be used to identify rice produced on any farm the serial number of which is not entered on the card. A marketing card shall not be used to market any rice which was not produced on a farm the serial number of which appears on the marketing card.

(e) *Producers to whom marketing cards will not be issued to enforce the provisions of the act.* Notwithstanding any other provisions of this section, the county committee shall deny any producer a marketing card if it determines that such action is necessary to enforce the provisions of the act. A marketing certificate may be issued in such cases for any proved production.

§ 730.968 Issuance of marketing certificates.

(a) *Producers to whom marketing certificates may be issued.* The county office manager shall upon request issue a marketing certificate. Form MQ–94—Rice, to any producer (1) who is eligible to receive a marketing card and who desires to market rice by telegraph, telephone, mail or by any means or method other than directly to and in the presence of the buyer or transferee; (2) who has availed himself of the provisions of § 730.975(c); (3) who is ineligible to receive a marketing card solely because of penalties owed by him or by any producer on the farm for excess rice for any preceding crop year; (4) who is ineligible to receive a marketing card solely because of excess rice produced on another farm as provided in § 730.967(c); (5) who is ineligible to receive a marketing card because the farm marketing excess determined under § 730.959 was adjusted under § 730.962; (6) who has eligible rice produced in a prior year but who is ineligible to receive a marketing card for the current crop year; (7) who is ineligible to receive a marketing card under § 730.967(e); or (8) who is a responsible executive officer of an agricultural experiment station entitled to market experimental rice only produced in excess of the allotment on an experimental farm.

(b) *Completion of marketing certificate.* Each marketing certificate shall show (1) the name and address of the producer to whom issued, (2) the names of the State and county, and the serial number of the farm, (3) the number of pounds of rice eligible to be sold, (4) the

serial number of the marketing card assigned to the producer for the farm if applicable, or the word "none" if no card has been assigned, and (5) the actual or facsimile signature of the county office manager and the date of issuance. Such facsimile signature provided for herein may be affixed by a county office employee. The original and first copy of the marketing certificate shall be issued to the producer for delivery to the buyer or transferee and the triplicate copy shall be retained in the county office. A marketing certificate shall not be used to identify rice produced on any farm the serial number of which is not entered on the certificate. When the rice is marketed the buyer or transferee shall enter both on the original and copy of the marketing certificate (i) the number of pounds of rice marketed, (ii) the date marketed and (iii) the name and address of the buyer or transferee. Both the buyer or transferee and the producer shall sign the original and copy of the marketing certificate. The original shall be retained by the buyer or transferee and the copy shall be returned to the producer. If all of the rice eligible to be marketed was not marketed in one transaction, or if the producer desires to market part of the eligible rice to another buyer or transferee, he shall request the county office manager to issue a marketing certificate for the balance of the unmarketed eligible rice. Such request shall be accompanied by the completed producer's copy of the marketing certificate showing the amount of rice previously marketed. The completed producer's copy of the marketing certificate shall be retained in the county office and a marketing certificate for the balance of the unmarketed eligible rice shall be issued to the producer. Notwithstanding the foregoing, the producer may request, and the county office manager shall issue, more than one marketing certificate at one time, provided the total number of pounds of rice shown on all the marketing certificates as eligible to be marketed does not exceed the number of pounds eligible to be marketed for the farm.

§ 730.969 Lost, destroyed or stolen marketing cards or marketing certificates.

(a) *Report of loss, destruction or theft.* In case a marketing card or marketing certificate delivered to a producer is lost, destroyed, or stolen, any person having knowledge thereof should insofar as he is able, immediately notify the county office of the following: (1) The name of the operator of the farm for which such marketing card or marketing certificate was issued; (2) the name of the producer to whom the marketing card or marketing certificate was issued, if someone other than the oprator; (3) the serial number of the marketing card or marketing certificate; and (4) whether in his knowledge or judgment it was lost, destroyed or stolen.

(b) *Investigation and replacement.* Each person desiring a marketing card or marketing certificate to replace one lost, destroyed or stolen, shall file a written application therefor with the county office. Each such application shall be on Form MQ–117, and shall contain the information necessary to identify the missing item, the circumstances concerning the loss, destruction or theft of the missing item, a report of marketings identified by the missing item and the date and signature of the applicant. If, based on information furnished by the applicant, the county office manager is satisfied that there has been no collusion or fraudulent action on the part of the producer, he shall issue a marketing card or marketing certificate to replace the one lost, destroyed or stolen. If the county office manager has reason to believe that collusion or fraudulent action may be involved, he shall issue the producer a marketing certificate and undertake an immediate investigation of the circumstances of such loss, destruction or theft. Each marketing card or marketing certificate lost, destroyed or stolen shall be cancelled and each replacement marketing card or marketing certificate issued under this section shall bear across its face in bold letters the word "Duplicate." The producer to whom the marketing card or marketing certificate was issued and later cancelled shall be notified that such item is void and of no effect. In each case where a marketing card or marketing certificate is reported stolen and is later cancelled, notice of such theft and cancellation shall be given to rice buyers, mill operators and warehousemen who serve the county or the immediate vicinity of the farm, and county office managers in adjoining counties. In case a marketing card or marketing certificate is reported lost or destroyed and is later cancelled, notice of such loss or destruction and cancellation shall be given to rice buyers, mill operators and warehousemen who serve the county or the immediate vicinity of the farm, and county office managers of adjoining counties, unless the county office manager determines that sending such notice will serve no useful purpose. Any person coming into possession of a cancelled marketing card or marketing certificate should immediately return it to the county office in which it was issued.

§ 730.970 Cancellation of marketing cards and marketing certificates issued in error.

Any marketing card or marketing certificate erroneously issued shall, immediately upon discovery of error, be canceled by the county office manager. The producer to whom such marketing card or marketing certificate was issued shall be notified in the manner prescribed in § 730.969(b) that the marketing card or marketing certificate is void and of no effect and that it shall be returned to the county office. Upon the return of such marketing card or marketing certificate, the county office manager shall cause to be endorsed thereon the notation "Canceled." In the event that such marketing card or marketing certificate is not returned immediately, notice of cancellation shall be given to rice buyers, mill operators and warehousemen who serve the county or the immediate vicinity of the farm, and county office managers in adjoining counties, unless the county office manager determines that sending such notice will serve no useful purpose.

IDENTIFICATION OF RICE

§ 730.971 Time and manner of identification.

Each producer of rice and each intermediate buyer shall, at the time he markets any rice, identify the rice to the buyer or transferee in the manner hereinafter provided as being subject to or not subject to the penalty or the lien for the penalty, as follows:

(a) *Identification by marketing card.* A marketing card (MQ–76—Rice) for the applicable crop year shall, when presented to the buyer by the producer to whom it was issued, be evidence to the buyer that the rice for which the marketing card was issued may be purchased without the payment of any penalty by him and that such rice is not subject to the lien for the penalty.

(b) *Identification by marketing certificate.* A marketing certificate (MQ–94—Rice) properly executed shall, when delivered to the buyer by the producer, be evidence that the amount of rice shown thereon may be purchased without the payment of any penalty by him and that such rice is not subject to the lien for penalty.

(c) *Identification by intermediate buyer's record and report.* The original and copy of an intermediate buyer's record and report (MQ–95—Rice), properly executed by the first intermediate buyer and the producer of the rice and any subsequent buyer in the manner outlined in § 730.984(d) or § 730.985, shall be evidence to any buyer that the rice covered thereby is not subject to the lien for penalty and may be purchased by him without payment of any penalty in the event either (1) the MQ–95—Rice shows the serial number of the marketing card or marketing certificate by which the rice was identified and the signatures of the producer and intermediate buyer, or (2) the original MQ–95—Rice bears the endorsement "Penalty Satisfied" and the signature and title of the county office manager and the date thereof.

(d) *Rice sweepings, spillage, or accumulation of samples.* A person other than a producer or intermediate buyer offering rice sweepings or spillage for sale shall obtain a certification from the elevator operator, warehouseman or processor, or other grain dealer, who conducts his business in a manner substantially the same as an elevator operator or warehouseman, stating that the rice had previously been marketed to the person executing the certificate, if such is the fact. Such certification shall be kept as part of the records of the buyer who buys the sweepings or spillage. Any person other than a producer or intermediate buyer offering rice accumulated from samples taken for grading and testing purposes shall obtain a certification from the grader or tester certifying that the rice was an accumulation of samples. Such certification shall be kept as part of the records of the buyer who buys the samples.

(e) *Rice identified as subject to the penalty and lien for the penalty.* All rice marketed by a producer or by an inter-

mediate buyer which is not identified in the manner prescribed in this section shall be taken by the buyer thereof as rice subject to penalty and the lien for the penalty and the buyer of such rice shall pay the penalty thereon at the rate prescribed in § 730.972.

PENALTY

§ 730.972 Rate of penalty.

The rate of penalty on rice shall be 65 per centum of the parity price per pound of rice as of June 15 of the calendar year in which the crop is produced. The rate of penalty applicable to the 1958 crop of rice shall be 3.88 cents per pound, which is 65 per centum of the parity price per pound of rice as of June 15, 1958, which is determined to be 5.98 cents per pound. The rate of penalty applicable to the 1959 crop of rice shall be 3.81 cents per pound, which is 65 per centum of the parity price per pound for rice as of June 15, 1959, which is determined to be 5.86 cents per pound.

§ 730.973 Lien for penalty.

The entire amount of rice produced in any year on any farm for which a farm marketing excess is determined shall be subject to a lien in favor of the United States for the amount of the penalty until the penalty is paid in accordance with § 730.975 or § 730.976, or the farm marketing excess is stored in accordance with § 730.980, or delivered to the Secretary in accordance with § 730.981.

§ 730.974 Interest on unremitted penalty.

The person liable for the payment or collection of the penalty shall be liable also for interest on the amount of penalty which is not remitted in accordance with § 730.975(b) or § 730.976(c), as the case may be, at the rate of 6 percent per annum from the final date for remitting the penalty until the date such penalty is remitted. The computation of interest on any penalty due shall be made beginning with the day following the final date for remitting the penalty.

§ 730.975 Payment of penalties by producers.

(a) *Producers liable for payment of penalties.* Each producer having an interest in the rice produced on any farm for which a farm marketing excess is determined shall be liable to pay the amount of penalty on the farm marketing excess as provided in this section. The amount of the penalty for which any producer is liable shall nevertheless be reduced by the amount of the penalty which is paid by another producer or a buyer of rice produced on the farm.

(b) *Time when penalties become due.* To the extent collection has not been made prior thereto, the amount of the penalty with respect to the farm marketing excess for any farm shall be remitted by the producer not later than 60 calendar days after the date on which the harvesting of rice is normally substantially completed in the county or area in the county in which the farm is situated, as determined in accordance with § 730.962(a)(3), or not later than 30 calendar days after notice of farm marketing quota and farm marketing excess is mailed as provided for in § 730.961: *Provided, however,* That the penalty on that amount of the farm marketing excess delivered to the Secretary pursuant to § 730.981 or § 730.961 shall not be remitted: *And provided further,* That the penalty on that amount of the farm marketing excess which is stored pursuant to § 730.980 or § 730.961 shall not be remitted until the time, and to the extent, of any depletion in the amount of rice so stored not authorized as provided in § 730.980(g).

(c) *Apportionment of the penalty.* The county committee may, upon application of any producer made (1) within 60 days after the harvesting of rice is normally substantially completed in the county or area in the county in which the farm is situated (as established in accordance with § 730.962), or (2) in the case of a delayed notice of the farm marketing excess within 30 days from the date such notice is mailed to him, determine his proportionate share of the penalty on the farm marketing excess if, pursuant to the application, the producer establishes the fact that he is unable to arrange with the other producers on the farm for the payment of the penalty on the entire farm marketing excess or for the disposition of the farm marketing excess in accordance with § 730.980 or § 730.981, that his share of the rice crop produced on the farm is marketed or disposed of by him separately, and that he exercises no control over the marketing or disposition of the shares of the other producers in the rice crop. The producer's proportionate share of the penalty on the farm marketing excess shall be that proportion of the entire penalty on the farm marketing excess which his share in the rice produced on the farm bears to the total amount of rice produced on the farm. When the producer pays his proportionate share of the penalty, or, in accordance with § 730.980 or § 730.981, stores or delivers to the Secretary the number of pounds required to postpone or avoid the payment of the penalty on his proportionate share, he shall be entitled to receive marketing certificates issued in accordance with § 730.968 to be used by him only in the marketing of his proportionate share of the rice crop produced on the farm: *Provided,* That the producer shall remain liable for the remainder of the penalty on the farm marketing excess notwithstanding any apportionment under this paragraph.

§ 730.976 Payment of penalties by buyers or transferees.

(a) *Buyers or transferees liable for payment of penalties.* Each person within the United States who buys or acquires from the producer any rice subject to the lien for the penalty shall be liable for and shall pay the penalty thereon. Rice shall be taken as subject to the lien for the penalty unless the producer presents to the person who buys or acquires such rice a marketing card (MQ–76—Rice) or marketing certificate (MQ–94—Rice) as prescribed in § 730.971 (a) or (b).

(b) *Payment of penalties on account of the lien for the penalty.* Each person within the United States who buys or acquires rice which is subject to the lien for the penalty shall pay the amount of the penalty on each pound thereof in satisfaction of the lien thereon. Rice purchased or acquired from any intermediate buyer shall be taken as subject to the lien for the penalty, unless, at the time of sale or transfer, the intermediate buyer delivers to the purchaser or transferee the original and a copy of an intermediate buyer's record and report, MQ–95—Rice, properly executed by the producer of the rice and the first intermediate buyer, which show (1) the serial number of the marketing card or marketing certificate, by which the rice covered thereby was identified when marketed, or (2) on the reverse side the statement "Penalty Satisfied" and the signature and title of the county office manager and the date thereof.

(c) *Time when penalties become due.* The penalty to be paid by any person who buys or acquires rice pursuant to paragraph (a) or (b) of this section shall be due at the time the rice is purchased or acquired and shall be remitted not later than 15 calendar days thereafter.

(d) *Manner of deducting penalties and issuance of receipts.* The person who buys or acquires rice may deduct from the price paid for any rice an amount equivalent to the amount of the penalty to be paid by the person who buys or acquires rice pursuant to paragraph (a) or (b) of this section. Any person who buys or acquires rice who deducts an amount equivalent to the penalty shall issue to the person from whom the rice was purchased or acquired a receipt for the amount so deducted which shall be in the case of rice purchased or acquired from the producer by an intermediate buyer, on MQ–95—Rice, and in all other cases, on MQ–81—Rice.

(e) *Collection by buyer at a sale which depleted stored excess rice.* Any buyer within the United States who purchases rice at a sale which has the effect of depleting stored excess rice, including a sale for storage charges, shall collect the penalty due from the producer under § 730.980(g) and remit the amount of the penalty to the county office within 15 days after such purchase in the manner provided in § 730.977. Failure to collect from the producer shall not relieve the buyer of his duty to remit the amount of the penalty.

§ 730.977 Remittance of penalties to the county office.

The penalty shall be delivered or mailed to the county office only in legal tender, or by check, draft or money order drawn payable to the order of the Commodity Stabilization Service, USDA. All checks, drafts, and money orders tendered in payment of the penalty shall be received in the county office subject to collection and payment at par. If the penalty is remitted by an intermediate buyer, it shall be accompanied by the original and first copy of MQ–95—Rice, and the county office manager shall show that the penalty is paid by entering on the reverse side of both copies the statement "Penalty Satisfied" and his signa-

ture and title and the date thereof before returning the first copy to the intermediate buyer.

§ 730.978 Deposit of funds.

All funds received in the county office in connection with penalties for rice shall be scheduled and transmitted on the day received or not later than the next succeeding business day, to the State office, where such funds shall be deposited to the credit of a deposit fund account with the Treasurer of the United States in the name of the Chief Disbursing Officer of the Treasury Department (referred to in this subpart as "deposit fund account") to be held in escrow. In the event the funds so received are in the form of cash, such funds shall be deposited in the county committee bank account and a check shall be issued in the amount thereof, payable to the order of the Commodity Stabilization Service, USDA. A record shall be maintained of each amount received in the county office, showing the name of the person who remitted the funds, the identification of the farm or farms in connection with which the funds were received, and the name of the person who marketed the rice in connection with which the funds were remitted.

§ 730.979 Refunds of money in excess of the penalty.

(a) *Determination of refunds.* The county committee, upon its own motion or upon the request of any interested person, shall review the amount of money received in connection with the penalty for any farm to determine for each producer the amount thereof, if any, which is in excess of the security required for stored excess rice or the penalty due. Any excess amount shall be refunded. Any refund shall be made only to persons who bore the burden of the payment and who have not been reimbursed therefor. The excess amount shall first be applied, insofar as the sum will permit, so as to make refunds to eligible persons other than producers and the remainder, if any, shall be applied so as to make refunds to the eligible producers. The amount to be refunded to each producer shall be either (1) the amount determined by apportioning the excess amount among the producers on the farm in the proportion that each contributed toward the payment, avoidance or security of the penalty on the farm marketing excess or (2) the amount which is in excess of the security required for stored excess rice and the penalty due on that portion of the farm marketing excess for which the producer is separately liable. No refund shall be made to any buyer or transferee of any amount which he collected from the producer or another, deducted from the price or consideration paid for the rice or for which he was liable.

(b) *Certification of refunds.* The county office manager shall notify the State administrative officer of the amount which the county committee determines may be refunded to each person with respect to the farm, and the State administrative officer shall cause to be certified to the Chief Disbursing Officer of the Treasury Department for payment such amounts as are approved by him. No refund of money shall be certified under this section unless the money has been received in the county office and transmitted to the State office.

§ 730.980 Stored farm marketing excess.

(a) *Amount of rice to be stored.* The number of pounds of rice in connection with any farm which may be stored in order to postpone the payment of the penalty or with a view to avoiding such penalty shall be that portion of the farm marketing excess which has not been delivered to the Secretary or on which the penalty has not been paid. The amount of the farm marketing excess for the purpose of storage shall be the amount of the farm marketing excess as determined at the time of storage under § 730.959 or § 730.962, whichever is applicable.

(b) *Kinds of storage; commingling and substitution.* Excess rice shall be stored either in an elevator or warehouse duly licensed and authorized to issue warehouse receipts under Federal or State laws, hereinafter referred to as "licensed storage," or in any other place adapted to the storage of rice, hereinafter referred to as "non-licensed storage." Commingling and substitution of rice shall be permissible in case of licensed storage, but this shall not be construed to permit the substitution of warehouse or elevator receipts deposited in escrow to postpone or avoid payment of penalty under paragraph (c) of this section. In the case of non-licensed storage, excess rice may, with the prior written approval of the county committee, be commingled with stored excess rice from any other year, and any or all stored excess rice may be replaced by rice from any other year produced by the same producer on the same or any other farm, if (1) the county committee gives prior written approval of such replacement; (2) the rice to be used for substitution is in storage; (3) the county committee determines that the rice to be used for substitution is of a quality equal to or better than the excess rice in storage and for which substitution is to be made; and (4) the requirements of this section with respect to furnishing a bond or depositing funds in escrow are complied with. The removal of stored excess rice from storage without compliance with all conditions precedent or subsequent to such removal shall constitute unauthorized depletion of the storage amount and shall be subject to penalty as provided in paragraph (g) of this section. Rice in which the producer has an interest produced on any farm may be stored in any location to postpone the penalty on any excess rice in which the same producer has an interest, provided the rice so stored is determined by the county committee to be of a quality equal to or better than the rice produced on the farm with the excess. The storage of rice in non-licensed storage shall be effective only if the producer submits a written statement showing the exact location of the stored rice by quarter section or other comparable descriptive location in areas where description is not by quarter section. Excess rice for any year which was properly stored in non-licensed storage in order to postpone the payment of a penalty or with a view to avoiding such penalty may be moved to licensed storage if, prior to the movement of the rice, a written request to do so is filed in the county office and approval of the county committee is granted in writing, and if the rice is moved and stored in licensed storage in accordance with paragraph (c) of this section within 15 days after approval is granted. When all requirements for licensed storage have been met in accordance with the foregoing provisions, the bond or escrow funds held in connection with the non-licensed storage may be released. The penalty on any stored excess rice removed from non-licensed storage without the prior written authorization from the county committee shall be due on such removal. Rice produced on a farm by any producer may be placed in non-licensed storage and substituted for excess rice for any year which was properly stored in licensed storage in order to postpone the payment of a penalty or with a view to avoiding such penalty if a written request to do so is filed in the county office and approval of the county committee is granted in writing upon the determination of such committee that the rice to be stored in non-licensed storage is of a quality equal to or better than the rice in licensed storage, and the rice in an amount equal to the amount in licensed storage for which substitution is desired is stored in non-licensed storage in accordance with paragraphs (b) and (d) of this section and is secured by a good and sufficient bond of indemnity or the deposit of funds in escrow, as provided in paragraph (d) of this section. When all requirements for non-licensed storage have been met in accordance with this section, the warehouse receipt covering the rice in licensed storage shall be returned to the person who deposited it. Rice stored in non-licensed storage shall be subject to inspection at all times by officers or employees of the Department, or members, officers or employees of the appropriate State or county committee.

(c) *Licensed storage; deposit of warehouse receipts in escrow.* The storage of excess rice in licensed storage in order to postpone the payment of the penalty or with a view to avoiding such penalty shall be effective for such purposes only when a warehouse receipt covering the amount of rice so stored is deposited with the county office manager to be held in escrow. The warehouse receipt shall be an endorsed negotiable receipt or a non-negotiable receipt. In the case of a non-negotiable receipt, the warehouseman or elevator operator shall be notified in writing by the owner of the receipt and the county office manager that it has been deposited in escrow and that delivery of the rice covered thereby is to be made under the terms of the deposit in escrow while such receipt remains so deposited. Any warehouse receipt so deposited shall be accepted only upon the condition that the producers by or for whom the rice is stored shall be and shall

remain liable for all charges incident to the storage of the rice and that the county committee and the United States in no way shall be liable for such charges. Whenever the penalty with respect to rice covered by the warehouse receipt(s) is paid or otherwise satisfied in accordance with law, the warehouse receipt(s) shall be returned to the person who deposited it.

(d) *Non-licensed storage bonds.* The storage of excess rice in non-licensed storage in order to postpone the payment of the penalty or with a view to avoiding such penalty shall be effective only when a good and sufficient bond of indemnity, on a form prescribed for the purpose, is executed and filed with the county office manager in an amount not less than the amount of the penalty on that portion of the farm marketing excess so stored, or funds are deposited in escrow as hereinafter provided. Each bond given pursuant to this paragraph shall be executed as principal by the producer storing the rice and either by two persons as sureties who are not producers on the farm and who own real property with an unencumbered value of double the principal sum of the bond, exclusive of homestead exemptions, or by a corporate surety authorized to do business in the State in which the farm is situated and listed by the Secretary of the Treasury of the United States as an acceptable surety on bonds to the United States. Each bond of indemnity shall be subject to the conditions that the penalty on the amount of rice stored shall be paid at the time, and to the extent, of the depletion of any amount stored which is not authorized under this subpart, and that if at any time any producer on the farm prevents the inspection of rice so stored, the penalty on the entire amount stored shall be paid forthwith. Whenever the penalties secured by the bond of indemnity are paid or reduced from any cause, the county office manager shall furnish the principal and the sureties with a written statement to that effect. Unless the bond in effect permits the commingling or substitution of rice in storage, a new bond covering all excess rice of the producer stored in non-licensed storage and not covered by funds in escrow shall be required as a condition for commingling rice or permitting substitution of any other year stored excess rice. In such case, upon approval and acceptance of the new bond, the old bond may be released. The bond of indemnity provided for in this paragraph may be waived by the county committee with the approval of the State committee if the excess was produced by a State or State institution or other agency of a State or by a Federal institution or Federal agency: *Provided,* That as a condition of the waiver the head of the State or Federal institution or State or Federal agency shall agree in writing to comply with all the other provisions of this subpart with respect to stored farm marketing excess.

(e) *Non-licensed storage; deposit of funds in escrow.* The storage of excess rice in non-licensed storage in order to postpone the payment of the penalty or with a view to avoiding such penalty, if a bond is not furnished in compliance with the regulations contained in this subpart shall be effective for such purpose only when an amount of money equal to the penalty on that portion of the farm marketing excess so stored is deposited with the Treasurer of the United States to be held in escrow to secure the payment of such penalty and the right of inspection during the period of storage. All checks, drafts and money orders shall be received in the county office subject to collection and payment at par. Funds in escrow shall be subject to the condition that the penalty on the amount of rice stored shall be paid at the time, and to the extent, of any depletion of the amount stored which is not authorized and that, if at any time any producer on the farm prevents inspection of any rice so stored, the penalty on the entire amount stored shall be paid forthwith. In case approval is granted to commingle rice or to substitute rice of any crop for excess rice in storage, there shall be on deposit in escrow, pursuant to the provisions of this paragraph, funds which cover all excess rice for any year stored by the producer in non-licensed storage pursuant to this section which is not covered by a bond given pursuant to paragraph (d) of this section. Whenever the penalty with respect to rice covered by funds in escrow is paid or otherwise satisfied in accordance with law, the amount of funds covering such rice shall be released to the person who made the escrow deposit.

(f) *Time of storage.* Storage of rice in connection with any farm in order to postpone the payment of the penalty or with a view to avoiding such penalty shall not be effective unless the provisions of paragraphs (a) and (b), and (c), (d), or (e), of this section are complied with prior to the expiration of the period allowed in accordance with § 730.975(b), for the remittance of the penalty with respect to the farm marketing excess for the farm.

(g) *Depletion of stored excess rice.* The penalty on the amount of excess rice stored shall be paid by the producers on the farm at the time and to the extent of any depletion in the amount of rice stored except as provided in paragraphs (h) and (i) of this section and except to the extent of the following: (1) The amount by which the stored excess rice exceeds the farm marketing excess for the farm as determined in accordance with § 730.959 or § 730.962, (2) the amount by which the stored excess rice exceeds the amount of the farm marketing excess as determined by a review committee or as a result of a court review of the review committee determination, (3) the amount of any rice destroyed by fire, weather conditions, theft, or any other cause beyond the control of the producer, provided the producer shows beyond a reasonable doubt that the depletion resulted from such cause and not from his negligence nor from any affirmative act done or caused to be done by him, and (4) the amount of any rice delivered to the Secretary under the provisions of § 730.981. The penalty on the amount of any unauthorized depletion in the storage amount shall be at the rate applicable to the marketing year in which the stored excess rice was produced, except that if the storage amounts of two or more crops are commingled or if the storage amount of one crop is replaced by rice of another crop, as provided in paragraph (b) of this section, the penalty shall be computed first at the rate applicable to the marketing year for the oldest crop involved in the storage amount until the entire penalty for the storage amount of such crop is satisfied and thereafter in turn at the rate applicable to the marketing year for each of the next oldest crops involved in the storage amount until the entire penalty for the storage amount of each such crop is satisfied.

(h) *Underplanting the farm acreage allotment for a subsequent crop.* Whenever the rice acreage on any farm for any subsequent crop of rice is less than the farm acreage allotment therefor, the producers on the farm who stored excess rice in accordance with the foregoing provisions of this section shall, upon application made by them to the county committee, be entitled to remove from storage without penalty any rice so stored by them, whether produced in a prior year on the farm or another farm, to the extent of the normal production of the number of acres by which the acreage planted to rice is less than the farm acreage allotment. Such application shall be made in writing not later than December 31 of the crop year in which the underplanted crop is harvested. The amount of rice which would otherwise be authorized to be removed from storage in connection with the farm under this paragraph shall be reduced to the extent that stored excess rice from any other crop is authorized to be removed from storage in connection with the farm. The amount of rice authorized to be removed from storage shall be apportioned among the several producers on the farm who have stored excess rice to the extent of their need therefor in accordance with their shares in the acreage which was or could have been planted to rice or in accordance with their agreement as to the apportionment to be made. A producer shall not be entitled to remove rice from storage under this paragraph in connection with any farm unless, at the time the determination is made under this paragraph, the rice is stored and owned by the producer and, at the end of the rice seeding season for the crop for the area in which the farm is situated, the producer is entitled to share in the rice crop which was or could have been planted on the farm. For the purpose of this paragraph the acreage, if any, under a conservation reserve contract will be considered rice acreage and such acreage shall be added to the rice acreage determined for the farm. The acreage considered as rice acreage under a conservation reserve contract shall be the acreage placed in the conservation reserve at the regular rate, not to exceed the amount by which the rice acreage allotment (after release and before reapportionment) for the farm exceeds the rice acreage determined for such farm:

Provided, That in the event the farm also has one or more other commodity allotments and the acreage placed in the conservation reserve at the regular rate is less than the sum of the amount by which the respective allotment (after release and before reapportionment) exceeds the acreage planted to each allotment crop on the farm, the acreage placed in the conservation reserve at the regular rate shall be prorated and credited to each allotment commodity. If the acreage placed in the conservation reserve at the regular rate is equal to or is in excess of the sum of the amount by which the respective allotment (after release and before reapportionment) exceeds the acreage planted to each allotment crop on the farm, no excess penalty rice may be removed from storage. A producer shall not be entitled to remove excess rice from storage under this paragraph by underplanting the allotment on government-owned land under a lease restricting the production of rice.

(i) *Producing a subsequent crop which is less than the normal production of the farm acreage allotment.* Whenever in any subsequent year the rice acreage does not exceed the farm acreage allotment and the actual production of rice on the farm is less than the normal production of the farm acreage allotment therefor, the producers on the farm who stored excess rice in accordance with the foregoing provisions of this section shall, upon application made by them to the county office, be entitled to remove from storage, without penalty, any rice so stored by them, whether produced in the prior year on the farm or another farm, to the extent of the amount by which the normal production of the farm acreage allotment, less the normal production of the underplanted acreage for the farm which was or could have been determined under paragraph (h) of this section, exceeds the amount of rice produced on the farm in that year. Such application shall be made in writing not later than 60 calendar days after the date on which the harvesting of rice is normally substantially completed in the county or area in the county in which the farm is situated as determined in accordance with § 730.962. The actual production of rice on the farm shall include, in addition to the rice actually produced on the farm, the production of rice attributed to the soil bank acreage reserve for the farm on the basis of the yield that would be indicated from the productivity index used for determining the rate of payment per acre for the acreage reserve program. The amount of rice which would otherwise be authorized to be removed from storage in connection with the farm under this paragraph shall be reduced to the extent that stored excess rice from any other crop is authorized to be removed from storage in connection with the farm. The amount of rice which is authorized to be removed from storage shall be apportioned among the several producers on the farm who have stored excess rice, to the extent of their need therefore in accordance with their proportionate shares in the rice crop planted on the farm, or in accordance with their agreement as to the apportionment to be made. The determination of the amount of rice produced on the farm shall be made in accordance with the marketing quota regulations applicable to the crop. A producer shall not be entitled to remove rice from storage under this paragraph for any farm unless, at the time the determination is made under this paragraph, the rice is stored and owned by the producer and, at the time of harvest, the producer is entitled to a share in the rice crop planted on the farm. For the purpose of this paragraph, any acreage which is considered to be rice acreage under a conservation reserve contract under § 730.980(h) will be deemed to have produced the normal production of rice when determining the actual production for the farm.

§ 730.981 Delivery of the farm marketing excess to the Secretary.

(a) *Amount of the rice to be delivered.* The amount of rice delivered to the Secretary in order to avoid the payment of the penalty in connection with any farm shall not exceed the amount of the farm marketing excess as determined at the time of delivery, in accordance with § 730.959 or § 730.962, whichever is applicable.

(b) *Conditions and methods of delivery.* For and on behalf of the Secretary, the county office manager for the county in which the farm for which the marketing excess is determined is situated shall accept the delivery of any rice tendered to avoid the payment of the penalty. The delivery of the rice for this purpose shall be effective only when the producers having an interest in the rice to be so delivered convey to the Secretary all right, title, and interest in and to the rice by executing a form provided for this purpose and (1) deliver the rice to an elevator or warehouse and tender to the county office manager the elevator or warehouse receipt for the amount of the rice, or (2) show to the satisfaction of the county committee that it is impracticable to deliver the rice to an elevator or warehouse and receive an elevator or warehouse receipt therefor, deliver the rice at a point within the county or nearby and within such time or times as may be designated by the county office manager. None of the rice so delivered shall be returned to the producer. Insofar as practicable, the rice so delivered shall be delivered to the Commodity Credit Corporation of the United States Department of Agriculture, and any rice which it is impracticable to deliver to such Corporation shall be distributed to such one or more of the following classes of agencies or organizations as the State committee selects, which delivery the Secretary hereby determines will divert it from the normal channels of trade and commerce: Any Federal relief organization, the American Red Cross, State or county or municipal relief organization, Federal or State wildlife refuge project or any voluntary relief organization registered with the Advisory Committee on Voluntary Foreign Aid of the International Cooperation Administration for shipment for relief overseas.

(c) *Time of delivery.* Excess rice may be delivered to the Secretary at any time within 60 calendar days after the date on which the harvesting of rice is normally substantially completed in the county as determined in accordance with § 730.962(a) or pursuant to § 730.961. Excess rice may be delivered to the Secretary after such period only if the excess rice was stored in accordance with the provisions of § 730.980 (a) to (f), and the rice has not gone out of condition through any fault of the producer.

(d) *Rice to be unencumbered.* Any rice delivered to the Secretary for the purpose of avoiding the penalty with respect to the farm marketing excess for any farm shall be free and clear of all encumbrances and particularly no rice shall be accepted for such purpose if it is subject to storage charges or liens of any kind. Conveyance of the rice to the Secretary shall be made by the execution and delivery of Form MQ-99—Rice.

§ 730.982 Refund of penalty erroneously, illegally, or wrongfully collected.

Whenever, pursuant to a claim filed with the Secretary within two calendar years after payment to him of the penalty collected from any person, pursuant to the act, the Secretary finds that the penalty was erroneously, illegally, or wrongfully collected and the claimant bore the burden of such penalty, he shall certify to the Secretary of the Treasury of the United States for payment to the claimant, in accordance with regulations prescribed by the Secretary of the Treasury of the United States, such amount as the claimant is entitled to receive as a refund of all or a portion of the penalty. Any claim filed pursuant to this section shall be made in accordance with regulations prescribed by the Secretary.

§ 730.983 Report of violations and court proceedings to collect penalty.

It shall be the duty of the county office manager to report in writing to the State administrative officer each case of failure or refusal to pay the penalty or to remit the same as provided in §§ 730.975 to 730.977. It shall be the duty of the State administrative officer to report each such case in writing to the office of the General Counsel of the Department which shall have authority to refer such cases for the institution of proceedings by the United States Attorney for the appropriate district under the direction of the Attorney General of the United States to collect the penalties, as provided in section 376 of the act.

RECORDS AND REPORTS

§ 730.984 Records to be kept and reports to be made by warehousemen, mill or elevator operators, other processors, or transferees and buyers other than intermediate buyers.

(a) *Necessity for records and reports.* Each warehouseman, mill or elevator operator, processor, or transferee and each buyer other than an intermediate buyer, who buys, acquires, or receives rice from the producer or intermediate buyer, who buys, acquires, or receives

section 373(a) of the act, keep the records and make the reports prescribed by this section, which the Secretary hereby finds to be necessary to enable him to carry out with respect to rice, the provisions of the act.

(b) *Nature and availability of records.* Each warehouseman, mail or elevator operator, processor, or transferee, and each buyer other than an intermediate buyer, shall keep as part of or in addition to the records maintained by him in the conduct of his business, a record which shall show with respect to the rice purchased, acquired or received by him from the producers or the intermediate buyers thereof the following information: (1) The name and address of the producer of the rice, (2) the date of the transaction, (3) the amount of the rice, (4) the serial number of the marketing card (MQ–76—Rice), or marketing certificate (MQ–94—Rice), or intermediate buyer's record and report (MQ–95—Rice), by which the rice was identified, or the report and penalty receipt for rice not identified (MQ–81—Rice), and (5) the amount of any lien for the penalty or of any penalty incurred in connection with the rice purchased, acquired, or received by him. The record so made and all business records of such persons required to keep such records shall be kept available for examination by the county office manager or any representative of the State committee or investigators and accountants (special agents) or other authorized representatives of the Director, Compliance and Investigation Division, Commodity Stabilization Service, U.S. Department of Agriculture, for two calendar years beyond the calendar year in which the marketing year ends, or longer if requested by the State administrative officer. Such records shall include relevant books, papers, records, accounts, correspondence, contracts, documents and memoranda, but shall be examined only for the purpose of ascertaining the correctness of any report made or record kept pursuant to the regulations in this subpart or of obtaining the information required to be furnished in this subpart but not so furnished. The county office manager shall furnish, without cost, blank copies of (MQ–97—Rice) which may be used for the purpose of keeping the record required under this section.

(c) *Records and reports in connection with rice subject to penalty.* Each warehouseman, mill or elevator operator, processor, or transferee, and each buyer other than an intermediate buyer, who purchases any rice from the producer or intermediate buyer which is not identified at the time the rice is purchased in the manner provided in § 730.971 (a), (b), and (c), shall, with respect to each such transaction, execute the report and penalty receipt for rice not identified on MQ–81—Rice and report to the county office manager the following information: (1) The name and address of the producer or intermediate buyer from whom the rice was purchased or acquired, (2) the names of the county and State, and the address of the county office of the county in which the rice was produced, (3) the date of the transaction, (4) the amount of the rice, (5) the year harvested, (6) the amount of the penalty incurred in connection with the transaction, and (7) whether an amount equivalent to the penalty was deducted from the price or consideration paid for the rice. Each record and report on MQ–81—Rice shall be executed in triplicate. The person who executes MQ–81—Rice shall retain one copy, give the original to the producer or intermediate buyer, as the case may be, which shall be the receipt to him for the amount of the penalty in connection with rice, and mail or deliver the remaining copy to the county office manager. It shall be presumed that rice was not identified by MQ–76—Rice, as provided in § 730.971 (a), or MQ–94—Rice, as provided in § 730.971(b), or MQ–95—Rice, as provided in § 730.971(c), if the serial number of the marketing card, marketing certificate or intermediate buyer's record and report, does not appear on the records required to be kept pursuant to paragraph (b) of this section.

(d) *Records and reports in connection with rice identified by intermediate buyer's records and reports.* Whenever rice is identified by the intermediate buyer's record and report (MQ–95—Rice) executed in accordance with § 730.985, the warehouseman, mill or elevator operator, processor, or transferee, or the buyer other than an intermediate buyer, who purchases or acquires the rice covered thereby shall retain the first copy as a record of the transaction and forward the original to the county office manager as a report on the transaction in every case where he purchases or acquires all or the remainder of the rice covered by the record and report. In all other cases, where the warehouseman, mill or elevator operator, processor, or transferee, or the buyer other than an intermediate buyer, purchases or acquires only a portion of the rice covered by the intermediate buyer's record and report, he shall make a record and report of the transaction by endorsing on the reverse side of both the original and first copy his name and signature, the amount of rice purchased or acquired, and the date of the transaction and return the forms so endorsed to the intermediate buyer to be delivered to the person who finally purchases or acquires the remainder of the rice.

(e) *Records in connection with rice identified by marketing certificates.* Whenever rice is identified by a marketing certificate (MQ–94—Rice), the warehouseman, mill or elevator operator, processor, or transferee, or the buyer other than an intermediate buyer, who purchases the rice so identified shall retain the original of the marketing certificate as a record of the transaction completed as provided in § 730.968(b).

(f) *Time and place of submitting reports.* Each report required by this section shall be submitted not later than 15 calendar days next succeeding the day on which the rice was marketed to a warehouseman, mill or elevator operator, processor, or transferee, or a buyer other than an intermediate buyer, to the county office manager for the county in which the rice was produced.

§ 730.985 Records to be kept and reports to be made by intermediate buyers.

(a) *Necessity for records and reports.* Each intermediate buyer shall, in conformity with section 373(a) of the act, keep the records and make the reports prescribed by this section, which the Secretary hereby finds to be necessary to enable him to carry out, with respect to rice, the provisions of the act.

(b) *Form of record and report in connection with rice purchased or acquired from producers.* Each intermediate buyer who purchases or acquires any rice from the producer thereof shall, with respect to each such transaction, keep a record and make a report on the intermediate buyer's record and report (MQ–95—Rice) of the following information: (1) The name and address of the producer from whom the rice was purchased or acquired, (2) the names of the county and State and the address of the county office of the county in which the rice was produced, (3) the date of the transaction, (4) the number of pounds of rice, (5) the serial number of the marketing card or marketing certificate by which the producer identified the rice at the time it was marketed, or if the rice is not so identified, the amount of the penalty, and whether an amount equivalent to the penalty was collected or deducted from the price or consideration paid for the rice, and (6) the year in which the rice was harvested. The record and report shall be executed in quadruplicate and, after the entries described above are made, the intermediate buyer and producer shall certify to the correctness of the entries by signing the MQ–55—Rice. One copy of the MQ–95—Rice so executed shall be retained by the producer as a record of the transaction and as a receipt for the amount equivalent to the penalty, if any, which was deducted from the price or consideration paid for the rice. One copy of MQ–95—Rice so executed shall be retained by the intermediate buyer as his record in connection with the transaction. Whenever rice is identified by a marketing certificate (MQ–94—Rice), the intermediate buyer and the producer shall complete the original and copy of the marketing certificate in accordance with the provisions of § 730.968(b). The copy shall be retained by the producer and the intermediate buyer shall attach the original of the marketing certificate to the first copy of MQ–95—Rice to be delivered to the warehouseman, mill or elevator operator, processor, or transferee or buyer other than an intermediate buyer, who finally acquires the rice covered by MQ–95—Rice, and marketing certificate (MQ–94—Rice). Whenever the intermediate buyer markets or delivers a portion of the rice covered by a single MQ–95—Rice to another and retains a portion of the rice, the intermediate buyer shall obtain from the person to whom the portion of the rice is marketed or delivered an endorsement on the reverse side of both the original and first copy of MQ–95—Rice showing the name and signature of the person, the number of pounds of rice marketed or

delivered to him, and the date of the transaction.

(c) *Manner of making reports.* The intermediate buyer shall deliver the original and copy of the intermediate buyer's record and report MQ–95—Rice to the warehouseman, mill or elevator operator, processor, or transferee, or the buyer other than an intermediate buyer, to whom all or the remainder of the rice covered thereby is marketed. When rice is marketed or delivered by one intermediate buyer to another intermediate buyer, the original and first copy of MQ–95—Rice shall be transmitted by one intermediate buyer to another and the last intermediate buyer shall deliver them to the warehouseman, mill or elevator operator, processor, or transferee, or buyer other than an intermediate buyer. If all or the remainder of the rice is not marketed or delivered to a warehouseman, mill or elevator operator, processor, or transferee, or buyer other than an intermediate buyer, the last intermediate buyer shall, within 15 days after purchase of such rice, mail or deliver the original and first copy of the intermediate buyer's record and report to the county office manager.

(d) *Reports to the county office manager.* Each intermediate buyer shall, within 15 days after all Forms MQ–95—Rice contained in a book have been executed, or by February 28 of each calendar year, whichever is the earlier, mail or deliver to the county office from which the book was obtained the executed copies and unexecuted sets of Form MQ–95—Rice which were retained by him. Books of Form MQ–95—Rice shall be reissued to any intermediate buyer upon request. In the event that the county committee or State administrative officer has reason to do so, any or all intermediate buyers to whom books of Form MQ–95—Rice were issued or reissued after the end of the calendar year may be requested to mail or deliver on or before the end of the marketing year to the county office from which the book was obtained, the executed copies and unexecuted sets of Form MQ–95—Rice. In the event that the county committee or State administrative officer has reason to believe that any intermediate buyer has failed or refused to comply with the regulations in this subpart, the county office manager or State administrative officer shall notify the intermediate buyer in writing that he is considered to be an intermediate buyer under the provisions of the rice marketing quota regulations and that he is requested to furnish a report within 15 days to the county office manager on Form(s) MQ–95—Rice of all rice purchased or acquired by him during the period of time specified in the request. The notice shall advise the intermediate buyer that the information required to be reported on Form MQ–95—Rice is in accordance with the rice marketing quota regulations and he shall be advised of the penalty for failure or refusal to keep the records and make the reports as provided in § 730.986. The intermediate buyer shall make the report for the period specified as requested by the county office manager or State administrative officer.

§ 730.986 Buyer's special reports.

In the event that the county committee or State administrative officer has reason to believe that any buyer has failed or refused to comply with the regulations in this subpart, the buyer shall, within 15 days after a written request therefor made by the county office manager or State administrative officer and deposited in the United States mails, addressed to him at his last known address, make a report, certified as true and correct on MQ–97—Rice to such person with respect to all rice purchased or acquired by him during the period of time as specified in the request. The report shall include the following information for each lot of rice purchased or acquired from the persons specified or during the period specified: (a) The name and address of the producer of the rice, (b) the date of the transaction, (c) the amount of the rice, (d) the serial number of the marketing card (MQ–76—Rice), marketing certificate (MQ–94—Rice), intermediate buyer's record and report (MQ–95—Rice), or the report and penalty receipt for rice not identified (MQ–81—Rice), and (e) the amount of the lien for the penalty or the amount of penalty incurred in connection with the rice purchased or acquired.

§ 730.987 Penalty for failure or refusal to keep records and make reports.

Any person required to keep the records or make the reports specified in § 730.984, § 730.985, or § 730.986, who fails to keep any such record or make any such report, or who makes any false report or keeps any false record shall, as provided in section 373(a) of the act, be deemed guilty of a misdemeanor and, upon conviction thereof, shall be subject to a fine of not more than $500 for each such offense.

§ 730.988 Records to be kept and reports to be made by producers.

Each producer with respect to any rice crop shall keep the records and make the reports prescribed by this section, which the Secretary hereby finds to be necessary to enable him to carry out, with respect to rice, the provisions of the act. Upon written request of the county committee or county office manager, any producer shall, within 15 days from the date the request was mailed to him, file with the county office manager for the county in which the farm is situated, a farm operator's report on MQ–98—Rice showing for the farm the following information: (a) The total number of pounds of rice produced thereon in the applicable crop year, (b) the name and address of each buyer or transferee of any rice, (c) the amount of rice sold to each buyer, (d) the amount equivalent to the penalty which was deducted from the price or consideration for the rice, (e) the amount of unmarketed rice of the applicable crop on hand, (f) the disposition of any rice not otherwise accounted for, and (g) the rice acreage for the applicable crop year.

§ 730.989 Data to be kept confidential.

Except as otherwise provided herein, all data reported to or acquired by the Secretary pursuant to and in the manner provided in this subpart shall be kept confidential by all officers and employees of the United States Department of Agriculture, members of county committees, other local committees, and State committees, county agents, and officers and employees of such committees or county agents' offices, and shall not be disclosed to anyone not having an interest in or responsibility for any rice, farm or transaction covered by the particular data, such as records, reports, forms, or other information, and only such data so reported or acquired as the Secretary deems relevant shall be disclosed by them to anyone not having such an interest or not being employed in the administration of the act and then only in a suit or administrative hearing under Title III of the act.

§ 730.990 Enforcement.

It shall be the duty of the county office manager to report in writing to the State administrative officer forthwith each case of failure or refusal to make any report or keep any record as required by §§ 730.984 to 730.988, inclusive, and to so report each case of making any false report or record. It shall be the duty of the State administrative officer to report each such case in writing in quintuplicate to the Office of the General Counsel of the Department which shall have authority to refer such cases for the institution of proceedings by the United States Attorney for the appropriate district under the direction of the Attorney General of the United States, to enforce the provisions of the act.

Special Provisions and Exemptions

§ 730.991 Farms on which the only acreage of rice is nonirrigated rice not in excess of three acres.

(a) *Conditions of exception.* The farm marketing quota of rice for any crop shall not be applicable to any nonirrigated (dry land) farm on which the rice acreage for such crop is not in excess of three acres.

(b) *Issuing marketing cards or marketing certificates.* The county office manager shall, for each farm to which the provisions of this section are applicable, issue marketing cards or marketing certificates to the producers on the farm in the manner and subject to the conditions specified in §§ 730.967 to 730.970.

§ 730.992 Experimental rice farms.

(a) *Conditions of exemption.* The penalty shall not apply to the marketing of any rice of any crop grown for experimental purposes only on land owned or leased by any publicly-owned agricultural experiment station, and which is produced at public expense by employees of the experiment station, or to rice produced for experimental purposes only by farmers pursuant to an agreement with a publicly-owned experiment station whereby the experiment station bears the costs and risks incident to the production of the rice and the proceeds

from the crop inure to the benefit of the experiment station: *Provided,* That such agreement is approved by the State committee prior to the planting of the rice crop on the farm. The production of foundation, registered, or certified seed rice will not be considered produced for experimental purposes only.

(b) *Issuing marketing cards or marketing certificates.* The county office manager shall, upon written application of a responsible executive officer of any publicly-owned agricultural experiment station to which the exemption referred to in paragraph (a) of this section is applicable, issue a marketing card or a marketing certificate for the experiment station in the manner and subject to the conditions specified in §§ 730.967 to 730.970.

§ 730.993 Rice produced on a wildlife refuge farm.

The penalty shall not apply to any rice produced in excess of the allotment on a wildlife refuge farm consisting solely of Federal or State-owned land: *Provided,* That such acreage is not harvested, but is left on the land for wildlife feed. The exemption from penalty shall be granted by the county office manager upon the written application of the farm operator or responsible executive officer on any such farm, stating that none of the excess rice produced on the farm will be harvested and that such excess will be left on the farm for wildlife feed. For the purpose of marketing within quota rice produced on such farm, a marketing card or marketing certificate may be issued in the same manner and subject to the conditions specified in §§ 730.967 to 730.970.

§ 730.994 Erroneous notices.

(a) *Erroneous notice of acreage allotment.* In any case where through error in a county or State office the producer was officially notified in writing of a rice acreage allotment for a crop year which was larger than the finally-approved acreage allotment and the county committee and the State administrative officer find that the producer, acting solely on the information contained in the erroneous notice, planted an acreage to rice in excess of the finally-approved acreage allotment, the producer will not be considered to have exceeded the acreage allotment unless he overplanted the allotment shown on the erroneous notice. The farm marketing quota and the farm marketing excess for the farm under the foregoing circumstances will be based on the acreage allotment contained in the erroneous notice, and if the acreage planted to rice on the farm is adjusted to the allotment contained in the erroneous notice within the time limits for disposal of excess acreage as provided in § 730.955(b), the farm will not be considered to be overplanted. Before a producer can be said to have relied upon the erroneous notice, the circumstances must have been such that the producer had no cause to believe that the acreage allotment notice was in error. To determine this fact, the date of any corrected notice in relation to the time of planting; the size of the farm; the amount of rice customarily planted; and all other pertinent facts should be taken into consideration. If the county committee determines that the producer was justified in relying on the erroneous notice of rice acreage allotment for the farm, such determination shall be subject to review and approval by the State administrative officer before the erroneous allotment is used by the county committee to determine the marketing quota and marketing excess for the farm.

(b) *Erroneous notice of measured acreage.* The provisions of Part 718 of this chapter, Determination of Acreage and Performance (22 F.R. 3747), and any amendments thereto, relating to notices to farm operators shall be applied when determining whether an erroneous notice of measured acreage is applicable to a particular case.

§ 730.995 Approval of reporting and record-keeping requirements.

The reporting and record-keeping requirements contained herein have been approved by, and subsequent reporting and record-keeping requirements will be subject to the approval of the Bureau of Budget in accordance with the Federal Reports Act of 1942.

Issued this 8th day of June 1960.

CLARENCE D. PALMBY,
Acting Administrator,
Commodity Stabilization Service.

[F.R. Doc. 60-5374; Filed, June 13, 1960; 8:48 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter II—Civil Aeronautics Board

SUBCHAPTER B—PROCEDURAL REGULATIONS

[Reg. PR-41]

PART 302—RULES OF PRACTICE IN ECONOMIC PROCEEDINGS

Oral Argument Before the Board

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 8th day of June 1960.

Section 302.32(b) of Part 302 of the Procedural Regulations currently includes a requirement that pamphlets, charts, and other written data which will be presented to the Board at oral argument shall be served on all parties and eight copies transmitted to the Docket Section at least five days before the argument. However, this section at present excludes from the requirement "maps and enlargements of exhibits, or charts included in briefs."

Proper procedure appears to require that all parties should be aware of all materials that are to be presented at oral argument. Consequently, the Board is promulgating this regulation which will require parties who intend to present materials to the Board at oral argument to file and serve all such materials in advance of the argument. This requirement will extend to maps, and charts included in briefs, which are currently excepted from the filing and service requirement. The only exception that will be continued relates to enlargements of exhibits intended to be placed on an easel and used for demonstration at the oral argument. However, the item which has been enlarged will in its original form be subject to the filing and service requirement.

Therefore, under this new regulation, the Board and all parties will be cognizant of all materials which are proposed for submission to the Board at oral argument and will have sufficient time for their review. If a party chooses to present such materials to the Board at oral argument for the information and assistance of the Members in following the argument, it appears to the Board that the other parties to the proceeding should be accorded like treatment. It frequently occurs that parties, who do not have a particular map before them, are unable to follow oral argument based on reference to that map. The rule will require the timely service of such an item to insure knowledge thereof by the parties.

Under the proposed rule, the transcript of the oral argument will become much more intelligible to the reader. At the present time it is extremely difficult for a reader to fully comprehend a transcript in which reference is made to oral argument materials since he is unable to refer to them readily in the course of his reading.

Since this amendment is not a substantive rule but one of agency procedure, notice and public procedure hereon are not required.

In consideration of the foregoing, the Civil Aeronautics Board hereby amends § 302.32 of Part 302 of the Procedural Regulations (14 CFR Part 302), effective July 13, 1960, by deleting the present paragraph (b) and inserting in lieu thereof a new paragraph (b) to read as follows:

§ 302.32 Oral argument before the Board.

* * * * *

(b) Pamphlets, charts, and other written data may be presented to the Board at oral argument only in accordance with the following rules: All such material shall be limited to facts in the record of the case being argued. All such material shall be served on all parties to the proceeding and eight copies transmitted to the Docket Section of the Board at least five (5) days in advance of the argument. As used herein, "material" includes, but is not limited to, maps, charts included in briefs, and exhibits which are enlarged and used for demonstration purposes at the argument, but does not include the enlargements of such exhibits.

(Sec. 204(a), 72 Stat. 743; 49 U.S.C. 1324. Interpret or apply sec. 1001, 72 Stat. 788; 49 U.S.C. 1481)

By the Civil Aeronautics Board.

[SEAL] MABEL MCCART,
Acting Secretary.

[F.R. Doc. 60-5394; Filed, June 13, 1960; 8:51 a.m.]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket 7499 c.o.]

PART 13—PROHIBITED TRADE PRACTICES

Heckethorn Manufacturing & Supply Co.

Subpart—Discriminating in price under sec. 2, Clayton Act—Price discrimination under 2(a): § 13.715 *Charges and price differentials.*

(Sec. 6, 38 Stat. 722; 15 U.S.C. 46. Interpret or apply 49 Stat. 1527; 15 U.S.C. 13) [Cease and desist order, Heckethorn Mfg. & Supply Co., Dyersburg, Tenn., Docket 7499, April 14, 1960]

This proceeding was heard by a hearing examiner on the complaint of the Commission charging manufacturers in Dyersburg, Tenn., with discriminating in price in violation of section 2(a) of the Clayton Act, by selling its automotive shock absorbers, seat cushions and other products to some purchasers at lower prices than to their competitors.

Following acceptance of a consent agreement, the hearing examiner made his initial decision and order to cease and desist which became on April 14 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That respondent Heckethorn Manufacturing & Supply Company, a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other device, in, or in connection with, the sale of automotive shock absorbers, seat cushions and other automotive parts and accessories in commerce, as commerce is defined in the Clayton Act, do forthwith cease and desist from discriminating, directly or indirectly, in the price of such products of like grade and quality by selling to any one purchaser at net prices lower than the net prices charged to any other purchaser who, in fact, competes with the purchaser paying the lower price in the resale or distribution of respondent's products.

It is further ordered, That the allegation of a substantial lessening of competition or tendency toward monopoly in the line of commerce in which the respondent is engaged be dismissed.

By "Decision of the Commission", etc., report of compliance was required as follows:

It is ordered, That respondent herein shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with the order to cease and desist.

Issued: April 14, 1960.

By the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F.R. Doc. 60-5378; Filed, June 13, 1960; 8:48 a.m.]

[Docket 7516 c.o.]

PART 13—PROHIBITED TRADE PRACTICES

Marlun Manufacturing Co., Inc., et al.

Subpart—Advertising falsely or misleadingly: § 13.155 *Prices;* § 13.155–40 *Exaggerated as regular and customary;* § 13.155–45 *Fictitious marking;* § 13.155–60 *List or catalog as regular selling.* Subpart—Furnishing means and instrumentalities of misrepresentation or deception: § 13.1055 *Furnishing means and instrumentalities of misrepresentation or deception.* Subpart—Discriminating in price under Sec. 2, Clayton Act—Payment for services or facilities for processing or sale under 2(d): § 13.824 *Advertising expenses.* Subpart—Misrepresenting oneself and goods—Prices: § 13.1805 *Exaggerated as regular and customary;* § 13.1810 *Fictitious marking.*

(Sec. 6, 38 Stat. 722; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719 as amended; sec. 2, 49 Stat. 1527; 15 U.S.C. 45, 13). [Cease and desist order, Marlun Manufacturing Company, Inc., et al., Woodside, Long Island, N.Y., Docket 7516, April 14, 1960]

In the Matter of Marlun Manufacturing Company, Inc., a Corporation, and Emanuel Sado and Maurice Sado, Individually and as Officers of Said Corporation

This proceeding was heard by a hearing examiner on the complaint of the Commission charging a manufacturer of its "Black Angus" electric broiler rotisseries in Woodside, Long Island, N.Y., with discriminating in price by making promotional payments to certain wholesalers but not to all their competitors on proportionally equal terms; and with representing falsely in brochures, price lists and catalogue sheets distributed to dealer customers and in newspaper and magazine advertising, that the excessive prices set forth were their customary retail prices.

Accepting a consent agreement, the hearing examiner made his initial decision and order to cease and desist which became on April 14 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That respondents, Marlun Manufacturing Company, Inc., a corporation, and its officers, and Emanuel Sado, individually and as an officer of said corporation, and said respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale or the sale of rotisseries in commerce, as "commerce" is defined in the Federal Trade Commission Act and in the Clayton Act, as amended, do forthwith cease and desist from:

1. Paying, or contracting for the payment of, anything of value to or for the benefit of any customer of respondents as compensation or in consideration for advertising, display, wages of clerks, or any other services or facilities furnished by or through such customer in connection with the handling, processing, sale, offering for sale, or distribution of respondents' products, unless such payment or consideration is affirmatively offered on proportionally equal terms to all other customers competing in the resale of such products with the favored customer.

2. Representing, directly or by implication, that any price is the retail price of their rotisseries which is in excess of the price at which the rotisseries are regularly and customarily sold at retail in the trade area or areas where the representations are made, or that the prices at which such rotisseries are being offered for sale constitute reductions from the prices at which they are regularly or customarily sold in the trade area or areas where the representations are made, or that the amount of such reductions constitutes savings to purchasers.

3. Providing distributors and retailers of their rotisseries with materials by or through which they may mislead and deceive the purchasing public as to the regular and customary retail prices of their products.

It is further ordered, That the complaint in its entirety be and hereby is dismissed as to Maurice Sado, individually and as an officer of the respondent corporation.

By "Decision of the Commission", etc., report of compliance was required as follows:

It is ordered, That respondents Marlun Manufacturing Company, Inc., a corporation, and Emanuel Sado, individually and as an officer of said corporation, shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: April 14, 1960.

By the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F.R. Doc. 60-5379; Filed, June 13, 1960; 8:48 a.m]

[Docket 7550 c.o.]

PART 13—PROHIBITED TRADE PRACTICES

Stern Brothers

Subpart—Advertising falsely or misleadingly: § 13.155 *Prices:* § 13.155–40 *Exaggerated as regular and customary;* § 13.155–85 *Sales below cost.* § 13.285 *Value;* § 13.235 *Source or origin:* § 13.235–60 *Place;* § 13.235–60–(e) *Imported products or parts as domestic.* Subpart—Invoicing products falsely: § 13.1108 *Invoicing products falsely;* § 13.1108–45 *Fur Products Labeling Act.* Subpart—Misbranding or mislabeling: § 13.1185 *Composition;* § 13.1185–30 *Fur Products Labeling Act;* § 13.1212 *Formal regulatory and statutory requirements;* § 13.1212–30 *Fur Products Labeling Act.* Subpart—Misrepresenting oneself and Goods—Prices: § 13.1805 *Exaggerated as regular and customary;* § 13.1822 *Sales below cost.* Subpart—Neglecting, unfairly or deceptively, to make material disclosure: § 13.1852 *Formal regulatory and statutory requirements:* § 13.1852–35 *Fur Products Labeling Act.*

(Sec. 6, 38 Stat. 722; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; sec. 8, 65 Stat. 719; 15 U.S.C. 45, 69f) [Cease and desist order, Stern Brothers, New York, N.Y., Docket 7550, April 14, 1960]

This proceeding was heard by a hearing examiner on the complaint of the Commission charging a New York City department store with violating the Fur Products Labeling Act by labeling certain fur products falsely as to the animal producing the furs; by setting forth the name "United States" on invoices of furs of foreign origin; by advertising in newspapers which falsely represented fur products to be "prices below wholesale" and "nationally advertised from" certain prices which were not the usual prices in the trade area concerned, and made claims as to prices and values without maintaining adequate records as a basis therefor; and by failing in other respects to comply with requirements of the Act; and to cease such unfair trade practices as in advertising designating as "reg.", "regularly" and "usually", amounts in excess of its current selling prices.

Following acceptance of a consent agreement, the hearing examiner made his initial decision and order to cease and desist which became on April 14 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That respondent Allied Stores Corporation, a corporation, trading as Stern Brothers, its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising, offering for sale, transportation or distribution in commerce, of fur products; or in connection with the sale, advertising, offering for sale, transportation or distribution of fur products which are made in whole or in part of fur which has been shipped and received in commerce, as "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Misbranding fur products by:

(a) Failing to affix labels to fur products showing in words and figures plainly legible all of the information required to be disclosed by each of the subsections of section 4(2) of the Fur Products Labeling Act.

(b) Falsely or deceptively labeling or otherwise identifying any such products as to the name or names of the animal or animals that produced the fur from which such product was manufactured.

(c) Setting forth on labels affixed to fur products information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder mingled with nonrequired information.

(d) Failing to affix labels to fur products showing the item number or mark assigned to a fur product.

2. Falsely or deceptively invoicing fur products by:

(a) Failing to furnish to purchasers of fur products an invoice showing all the information required to be disclosed by each of the subsections of section 5(b)(1) of the Fur Products Labeling Act.

(b) Setting forth on invoices pertaining to fur products the name "United States" as the country of origin of the furs contained in fur products when such is not the fact.

(c) Setting forth information required under section 5(b)(1) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder in abbreviated form.

(d) Failing to furnish to purchasers of fur products an invoice showing the item number or mark assigned to a fur product.

3. Falsely or deceptively advertising fur products through the use of any advertisements, representation, public announcement, or notice which is intended to aid, promote, or assist directly or indirectly, in the sale, or offering for sale of fur products, and which:

(a) Represents, directly or by implication, that the prices of fur products are "priced below wholesale" or words of similar import, when such is not the fact.

(b) Represents, directly or by implication, that certain amounts are nationally advertised prices or words of similar import, when such is not the fact.

(c) Misrepresents in any manner the savings available to purchasers of respondent's fur products.

4. Making price claims and representations in advertisements respecting prices and values of fur products unless respondent maintains full and adequate records disclosing the facts upon which such claims or representations are based.

It is further ordered, That respondent Allied Stores Corporation, a corporation, trading as Stern Brothers, its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication:

(a) That any amount is respondent's usual and regular price of merchandise when it is in excess of the price at which said merchandise has been usually and regularly sold by respondent in the recent regular course of its business.

(b) That any saving is afforded from respondent's price in the purchase of merchandise unless the price at which it is offered constitutes a reduction from the price at which the merchandise has been usually and customarily sold by respondent in the recent regular course of its business.

2. Misrepresenting in any manner the amount of savings available to purchasers of respondent's merchandise, or the amount by which the price of said merchandise is reduced from the price at which it is usually and customarily sold by respondent in the normal course of its business.

By "Decision of the Commission", etc., report of compliance was required as follows:

It is ordered, That respondent Allied Stores Corporation, a corporation, trading as Stern Brothers, shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with the order to cease and desist.

Issued: April 14, 1960.

By the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F.R. Doc. 60-5380; Filed, June 13, 1960; 8:48 a.m.]

[Docket 7591 c.o.]

PART 13—PROHIBITED TRADE PRACTICES

Television and Appliance Credit Corp., et al.

Subpart—Acquiring confidential information unfairly: § 13.1 *Acquiring confidential information unfairly.* Subpart—Advertising falsely or misleadingly: §13.15 *Business status, advantages, or connections:* § 13.15-195 *Nature;* §13.110 *Indorsements, approval and testimonials;* § 13.115 *Jobs and employment service.* Subpart—Claiming or using indorsements or testimonials falsely or misleadingly: § 13.330 *Claiming or using indorsements or testimonials falsely or misleadingly;* § 13.330-90 *United States Government;* § 13.330-(h) *Federal Trade Commission.* Subpart—Securing information by subterfuge: § 13.2168 *Securing information by subterfuge.* Subpart—Using misleading name-Vendor: § 13.2425 *Nature, in general.*

(Sec. 6, 38 Stat. 722; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. '19, as amended; 15 U.S.C. 45) [Cease and desist order, Television and Appliance Credit Corp., et al., Hollywood, Cal., Docket 7591, April 7, 1960]

In the Matter of Television and Appliance Credit Corporation, a Corporation, and Sidney Morey, Aaron Shaw, and Frank Chesler, Individually and as Officers of Said Corporation

The complaint in this proceeding charged Hollywood, Cal., sellers of questionnaire forms to be used to obtain information concerning delinquent debtors, with representing falsely that their company was a casting service and offered employment in motion pictures to recipients who answered their questionnaires, and that their skiptracer forms had been cleared and approved by the postal authorities and the Federal Trade Commission.

After acceptance of a consent agreement, the hearing examiner made his initial decision and order to cease and desist which became on April 7 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That respondents, Television and Appliance Credit Corporation, a corporation, and its officers, and Sidney Moray, Aaron Shaw and Frank Chesler, individually and as officers of

said corporation, and respondents' representatives, agents, and employees, directly or through any corporate or other device in connection with the business of obtaining information concerning delinquent debtors, or the offering for sale, sale or distribution of forms or other material for use in obtaining information concerning delinquent debtors or in the collection of, or attempting to collect accounts in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using, or placing in the hands of others for use, any forms, letters, questionnaires, or other materials, printed or written, which do not clearly reveal that the purpose for which information is requested is that of obtaining information concerning delinquent debtors.

2. Representing in any manner that respondents are in the business of a casting service for the motion picture or television industry.

3. Representing in any manner that respondents offer employment to the persons to whom respondents' forms are sent to appear in motion pictures.

4. Representing in any manner that respondents' skip-tracer forms have been cleared or approved by the Postal Authorities, the Federal Trade Commission, or by any other government agency, or representing that said forms, or the use thereof, are not in violation of the Federal Trade Commission Act, when such is not the fact.

By "Decision of the Commission", etc., report of compliance was required as follows:

It is ordered, That respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: April 7, 1960.

By the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F.R. Doc. 60-5381; Filed, June 13, 1960; 8:49 a.m.]

[Docket 7649 c.o.]

PART 13—PROHIBITED TRADE PRACTICES

Velox Service, Inc., et al.

Subpart—Advertising falsely or misleadingly: § 13.70 *Fictitious or misleading guarantees;* § 13.125 *Limited offers or supply;* § 13.155 *Prices:* § 13.155–5 *Additional charges unmentioned;* § 13.175 *Quality of product or service;* § 13.235 *Source or origin:* § 13.235–60 *Place;* § 13.235–60(c) *Foreign, in general;* § 13.285 *Value.*

(Sec. 6, 38 Stat. 722; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist order, Velox Service, Inc., et al., New York, N.Y., Docket 7649, April 27, 1960]

In the Matter of Velox Service, Inc., a Corporation, Thoresen, Inc., a Corporation, and Nelson Torelli and Caesar Torelli, Individually and as Officers of Each of Said Corporations

The complaint in this case charged two affiliated New York City mail order distributors of general merchandise with such false advertising as misrepresenting the country of origin of Japanese knives and their availability and price, guarantees of watches, performance, quality and value of razor blades, etc.

Accepting a consent agreement, the hearing examiner made his initial decision and order to cease and desist which became on April 27 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That respondents Velox Service, Inc., a corporation, and its officers, and Thoresen, Inc., a corporation, and its officers, and Nelson Torelli and Caesar Torelli, individually and as officers of each of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of hunting knives, watches, razor blades and other articles of merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the expression "Black Forest Hunting Knife" as descriptive of knives without conspicuously revealing in immediate connection therewith the name of the country other than Germany in which said knives are manufactured; or using any other words or pictures which represent, directly or indirectly, that any of the aforesaid articles of merchandise were manufactured in a country other than the true country of origin without conspicuously revealing in immediate connection therewith, the true country of origin of said articles of merchandise;

2. Representing, directly or indirectly, that the number or quantity of said articles of merchandise available to the purchaser is limited or restricted unless such is the fact;

3. Representing, directly or indirectly, that any price not the total price of an article or combination of articles of merchandise is the total price;

4. Representing directly or indirectly, that said articles of merchandise are guaranteed unless the nature and extent of the guarantee and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed;

5. Representing, directly or indirectly, that razor blades give a specified number of shaves or perform or have a quality or value equal to higher priced razor blades unless such is the fact.

By "Decision of the Commission", etc. report of compliance was required as follows:

It is ordered, That respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: April 27, 1960.

By the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F.R. Doc. 60-5382; Filed, June 13, 1960; 8:49 a.m.]

Title 24—HOUSING AND HOUSING CREDIT

Chapter II—Federal Housing Administration, Housing and Home Finance Agency

MISCELLANEOUS AMENDMENTS TO CHAPTER

The following miscellaneous amendments have been made to this chapter:

SUBCHAPTER B—PROPERTY IMPROVEMENT LOANS

PART 204—TITLE I MORTGAGE INSURANCE; RIGHTS AND OBLIGATIONS OF MORTGAGEE UNDER INSURANCE CONTRACT

Part 204 is amended by adding a new § 204.4a as follows:

§ 204.4a Voluntary termination of insurance.

Any contract of insurance meeting the requirements of this part may be voluntarily terminated in accordance with the provisions of section 229 of the Act. Voluntary terminations of insurance contracts shall be subject to the applicable provisions of Part 222 of this chapter.

(Sec. 2, 48 Stat. 1246, as amended; 12 U.S.C. 1703. Interprets or applies sec. 8, 64 Stat. 48, as amended; 12 U.S.C. 1706c)

PART 222—MUTUAL MORTGAGE INSURANCE, RIGHTS AND OBLIGATIONS OF THE MORTGAGEE UNDER THE INSURANCE CONTRACT

In § 222.3 paragraph (d) is amended to read as follows:

§ 222.3 Adjusted insurance premiums and termination charge.

* * * * *

(d) *Voluntary terminations.* (1) Upon request by the mortgagor and mortgagee and submission of the mortgage note for cancellation of the insurance endorsement, the Commissioner may terminate the insurance contract on any insured mortgage. In the event of such voluntary termination, the mortgagee shall pay a termination charge of 1 percent of the original principal amount of the mortgage.

(2) In no event shall the termination charge exceed the aggregate amount of premiums which would have been pay-

able if the mortgage had continued to be insured until maturity.

(3) The insurance contract may be voluntarily terminated in accordance with this paragraph without payment of a termination charge if:

(i) The mortgage is delinquent and termination of insurance is for the purpose of avoiding foreclosure provided the transaction is approved by the Commissioner; or

(ii) Foreclosure proceedings have been instituted.

(Sec. 211, 52 Stat. 23; 12 U.S.C. 1715b. Interprets or applies sec. 203, 52 Stat. 10, as amended; 12 U.S.C. 1709)

SUBCHAPTER H—WAR HOUSING INSURANCE

PART 277—WAR HOUSING INSURANCE; RIGHTS AND OBLIGATIONS OF MORTGAGEE UNDER INSURANCE CONTRACT

Part 277 is amended by adding a new § 277.3b as follows:

§ 277.3b Voluntary termination of insurance.

Any contract of insurance meeting the requirements of this part may be voluntarily terminated in accordance with the provisions of section 229 of the Act. Voluntary terminations of insurance contracts shall be subject to the applicable provisions of Part 222 of this chapter.

(Sec. 607, 55 Stat. 61, as amended; 12 U.S.C. 1742. Interprets or applies sec. 603, 55 Stat. 56, as amended; 12 U.S.C. 1738)

SUBCHAPTER N—NATIONAL DEFENSE HOUSING INSURANCE

PART 295—NATIONAL DEFENSE HOUSING INSURANCE; RIGHTS AND OBLIGATIONS OF MORTGAGEE UNDER INSURANCE CONTRACT

Part 295 is amended by adding a new § 295.4a as follows:

§ 295.4a Voluntary termination of insurance.

Any contract of insurance meeting the requirements of this part may be voluntarily terminated in accordance with the provisions of section 229 of the Act. Voluntary terminations of insurance contracts shall be subject to the applicable provisions of Part 222 of this chapter.

(Sec. 907, 65 Stat. 301; 12 U.S.C. 1750f. Interprets or applies sec. 903, 65 Stat. 296, as amended; 12 U.S.C. 1750b)

Issued at Washington, D.C., June 8, 1960.

JULIAN H. ZIMMERMAN,
Federal Housing Commissioner.

[F.R. Doc. 60-5385; Filed, June 13, 1960; 8:50 a.m.]

Title 29—LABOR

Chapter V—Wage and Hour Division, Department of Labor

PART 688—ARTIFICIAL FLOWER, DECORATION, AND PARTY FAVOR INDUSTRY IN PUERTO RICO

Wage Order Giving Effect to Recommendations

Pursuant to section 5 of the Fair Labor Standards Act of 1938, as amended (52 Stat. 1062, as amended; 29 U.S.C. 205), the Secretary of Labor by Administrative Order No. 531 (25 F.R. 3178), as amended by Administrative Order No. 533 (25 F.R. 4330), appointed and convened Industry Committee No. 47-C and referred to it and duly noticed a hearing on the question of the minimum wage rate or rates to be paid under section 6(c) of the Act to employees in the artificial flower, decoration, and party favor industry in Puerto Rico as defined in Administrative Order No. 531, who are engaged in commerce or in the production of goods for commerce.

Subsequent to an investigation and a hearing conducted pursuant to the notice, the committee filed with the Administrator a report containing its findings of fact and recommendations with respect to the matters referred to it.

Accordingly, as authorized and required by section 8 of the Fair Labor Standards Act of 1938, as amended (52 Stat. 1064, as amended; 29 U.S.C. 208), Reorganization Plan No. 6 of 1950 (64 Stat. 1263, 3 CFR 1950 Supp., p. 165), General Order No. 45-A (15 F.R. 3290) of the Secretary of Labor, the recommendations of the committee are hereby published in this order amending 29 CFR Part 688, effective June 30, 1960, to read as follows:

Sec.
688.1 Definition.
688.2 Wage rate.
688.3 Notices.

AUTHORITY: §§ 688.1 to 688.3 issued under sec. 8, 52 Stat. 1064, as amended; 29 U.S.C. 208. Interpret or apply sec. 5, 52 Stat. 1062, as amended; 29 U.S.C. 205; sec. 6, 52 Stat. 1062, as amended; 29 U.S.C. 206.

§ 688.1 Definition.

The artificial flower, decoration, and party favor industry in Puerto Rico, to which this part shall apply, is defined as the manufacture of flowers, buds, berries, foliage, leaves, fruits, plants, stems, and branches which are commonly or commercially known as artificial; and the manufacture of party favors and ornaments and decorations for holidays, except those made of molded plastic or metal other than metallic chenille, foil or tinsel.

§ 688.2 Wage rate.

Wages at a rate of not less than 70 cents an hour shall be paid under section 6 of the Fair Labor Standards Act of 1938 by every employer to each of his employees in the artificial flower, decoration, and party favor industry in Puerto Rico, who is engaged in commerce or in the production of goods for commerce.

§ 688.3 Notices.

Every employer subject to the provisions of § 688.2 shall post in a conspicuous place in each department of his establishment where employees subject to the provisions of § 688.2 are working such notices of this part as shall be prescribed from time to time by the Administrator of the Wage and Hour Division of the United States Department of Labor, and shall give such other notice as the Administrator may prescribe.

Signed at Washington, D.C., this 9th day of June 1960.

CLARENCE T. LUNDQUIST,
Administrator.

[F.R. Doc. 60-5395; Filed, June 13, 1960; 8:51 a.m.]

Title 32A—NATIONAL DEFENSE, APPENDIX

Chapter I—Office of Civil and Defense Mobilization

[Defense Manpower Policy 4]

DMP 4—PLACEMENT OF PROCUREMENT AND FACILITIES IN AREAS OF PERSISTENT OR SUBSTANTIAL LABOR SURPLUS

Revision

1. *Introduction.* Success of the defense program depends upon efficient use of all our resources, including manpower and facilities, which are preserved through practice of the skills of both management and workers.

A primary aim of Federal manpower policy is to encourage full utilization of existing production facilities and workers in preference to creating new plants or moving workers, thus assisting in the maintenance of economic balance and employment stability. When large numbers of workers move to already tight areas, heavy burdens are placed on community facilities—schools, hospitals, housing, transportation, utilities, etc. On the other hand, when unemployment develops in certain areas, unemployment compensation costs increase and plants, tools, and workers' skills remain idle and unable to contribute to our defense program.

2. *Purpose.* It is the purpose of this Defense Manpower Policy No. 4 to direct attention to the potentialities of areas of persistent or substantial labor surplus, hereafter referred to as labor surplus areas, for the placement of procurement contracts or the location of new plants or facilities, and to assign responsibilities to specified departments and agencies of the Government to carry out the policy stated below.

3. *Policy.* It is the policy of the Federal Government to encourage the placing of contracts and facilities in areas of persistent or substantial labor surplus, with first preference being given in areas of persistent labor surplus, and to assist such areas in making the best use of their available resources in order to achieve the following objectives:

(a) To preserve management and employee skills necessary to the fulfillment of Government contracts and purchases;

(b) To maintain productive facilities;

(c) To improve utilization of the Nation's total manpower potential by making use of the manpower resources of each area;

(d) To help assure timely delivery of required goods and services and to promote readiness for expanded effort by locating procurement where the needed manpower and facilities are fully available.

4. *Implementation.* By virtue of the authority vested in me by Executive Order 10480 and Executive Order 10773, as amended, and to carry out the purpose and policy objectives set forth above, the following assignments of responsibilities are made to the specified departments and agencies of the Government:

(a) The Department of Labor shall:

(1) Classify areas having a persistent or substantial surplus of labor, under standards to be established by the Secretary of Labor.

(2) In cooperation with the States and labor surplus areas, provide labor market data and related economic information in efforts to assist in the initiation of industrial expansion programs in these areas.

(3) Identify skills which are in surplus supply within such areas and make this information available to firms requiring such skills and interested in establishing new plants and facilities.

(4) Identify occupations and skills for which labor will be needed by new or expanding industries; and, in collaboration with other governmental agencies, make assistance available to area institutions and manpower users in developing on-the-job apprentice or other training programs for developing skills of the workforce.

(b) All procurement agencies shall:

(1) Use their best efforts to award negotiated procurement contracts to contractors who will perform a substantial proportion of the production on those contracts within labor surplus areas, giving first preference to contractors performing in persistent labor surplus areas, to the extent that procurement objectives will permit: *Provided,* That in no case will price differentials be paid for the purpose of carrying out this policy.

(2) Where deemed appropriate, set-aside portions of procurements for negotiation at prices no higher than those paid on the balance of these procurements exclusively with firms which will perform or cause to be performed a substantial proportion of the production on these contracts within labor surplus areas, giving first preference to firms in persistent labor surplus areas: *Provided further* that firms which will perform in areas not meeting the minimum size qualifications for classification by the U.S. Department of Labor shall be eligible for participation in set-asides, if these firms submit a certificate issued by the U.S. Department of Labor that a persistent or substantial labor surplus exists in the area in accordance with standards and procedures prescribed by the U.S. Department of Labor.

(3) Assure that firms in labor surplus areas which are on appropriate bidders' lists will be given the opportunity to submit bids or proposals on all procurements for which they are qualified. Whenever the number of firms on a bidders' list is excessive, there will be included a representative number of firms from labor surplus areas.

(4) In the event of tie bids or offers on any procurement, award the contract to the firm which will perform in a labor surplus area, other things being equal, giving first preference to firms in persistent labor surplus areas.

(5) Encourage prime contractors to award subcontracts to firms which will perform a substantial proportion of the production on those subcontracts in labor surplus areas, particularly in areas of persistent labor surplus.

(6) The preferential actions described in this policy shall be in addition to other such actions to which firms may be entitled because of performance in substantial labor surplus areas, such as additional preference under the "Buy American Act."

(7) Cooperate with the other agencies listed herein in achieving the objectives of this policy.

(c) The Department of Commerce shall:

(1) In cooperation with State development agencies, the Department of Defense, the General Services Administration, and the Small Business Administration, assist manufacturers in areas of persistent labor surplus in obtaining Government procurement business by (a) providing such firms with timely information on proposed Government procurements; (b) maintaining current information on the manufacturing capabilities of labor surplus area firms with respect to Government procurement and disseminating such information to Federal procurement agencies.

(2) Urge firms planning new production facilities (where Federal assistance or interests are involved) to consider the industrial location advantages of labor surplus areas.

(3) Provide technical advice and counsel to groups and organizations in labor surplus areas on planned industrial parks, industrial development organizations, expanding tourist business, and available Federal aids.

(d) The Small Business Administration shall make available to small business concerns in labor surplus areas all of its services, endeavor to insure opportunity for maximum participation by such concerns in Government procurement, and give consideration to the needs of these concerns in the making of joint small business set-asides with Government procurement agencies.

(e) There is hereby created within the Office of Civil and Defense Mobilization a Surplus Manpower Committee:

(1) This Committee shall be chaired by the Deputy Assistant Director for Manpower of the Office of Civil and Defense Mobilization and shall include representation from the Department of Defense (including the three military departments), Department of Commerce, Department of Labor, General Services Administration, and Small Business Administration.

(2) The Committee shall advise the Director of the Office of Civil and Defense Mobilization and its member agencies on policies, procedures, and activities in existence or needed to carry out the purpose of this policy.

(3) When an entire industry, which sells a significant proportion of its production to the Government, is generally depressed or has a significant proportion of its production units located in areas of persistent or substantial labor surplus, the Committee may make appropriate recommendations relative to that industry in lieu of recommendations relative to specific geographical areas. In such cases, after notice to and hearing of interested parties, the Director of the Office of Civil and Defense Mobilization will give consideration to appropriate measures applicable to the entire industry.

(f) The Regional Directors of OCDM shall, with the advice and assistance of the Regional Civil and Defense Mobilization Boards, recommend actions considered desirable to carry out the purposes of this policy to the Chairman of the Office of Civil and Defense Mobilization Surplus Manpower Committee.

(g) All Federal departments and agencies shall give consideration to labor surplus areas, particularly to persistent labor surplus areas, in the selection of sites for Government-financed facilities expansion, to the extent that such consideration is not inconsistent with essential economic and strategic factors that must also be taken into account.

(h) All agencies assigned responsibilities under this policy shall submit such reports on their activities as may be requested in connection therewith to the Office of Civil and Defense Mobilization, and shall submit such additional information as may be necessary.

(i) All existing notifications of labor surplus areas issued by the U.S. Department of Labor pursuant to Defense Manpower Policy No. 4, dated November 4, 1953, as amended July 29, 1955, continue in force. Notifications No. 38, 39, 53, 57, and 58, dealing with the placement of procurement with the textile, shoe, apparel, shipbuilding, and petroleum and petroleum products industries, are continued in effect to the extent that they are not inconsistent with this revised policy.

Effective date. This revised policy shall take effect on July 6, 1960.

LEO A. HOEGH,
Director.

[F.R. Doc. 60-5387; Filed, June 13, 1960; 8:50 a.m.]

Title 38—PENSIONS, BONUSES, AND VETERANS' RELIEF

Chapter I—Veterans Administration

PART 5—THE BOARD ON WAIVERS AND FORFEITURES AND COMMITTEES ON WAIVERS IN FIELD OFFICES

Instructions Relating to Forfeiture Laws

Part 5, Chapter I of Title 38 of the Code of Federal Regulations is amended by adding § 5.50 as follows:

§ 5.50 Instructions relating to forfeiture laws.

(a) *Effects of the law.* Public Law 86–222 amends Title 38 of the United States Code by amending sections 3503 and 3504 pertaining to forfeitures and by adding a new section numbered 3505 relative to forfeiture for subversive activities. Purposes of the amendments are:

(1) To eliminate administrative forfeiture in any case of an individual who was residing in a State (as defined in 38 U.S.C. 101(20)) at the time the act or acts occurred on account of which benefits would be forfeited for fraud or treason except for this law, unless such individual ceases to be a resident of, or domiciled in, a State before the expiration of the period during which criminal prosecution could be instituted. Forfeitures which occurred before September 1, 1959, are not affected. Also excepted are past and future actions based on an act or acts which occurred in the Philippine Islands prior to July 4, 1946.

(2) To provide that there wil be no new apportionment awards to dependents after September 1, 1959, in cases forfeited for either fraud or treasonable acts regardless of when the forfeiture was declared. The law does not require discontinuance of apportionment awards on the rolls on that date.

(3) To provide in 38 U.S.C. 3505 for the automatic forfeiture of gratuitous benefits payable to any person when he is convicted of subversive activities.

NOTE: The term "foreign case" means one in which the individual who performed the act in question did not live in a State at the time the act occurred. It also includes one in which the individual ceased to be a resident of, or domiciled in, a State before the expiration of the period during which criminal prosecution could be instituted. Philippine cases are also "foreign cases".

(b) *Board on Waivers and Forfeitures; jurisdiction and procedures.* (1) The Board on Waivers and Forfeitures has exclusive jurisdiction to declare a forfeiture for fraud (38 U.S.C. 3503) and treasonable acts (38 U.S.C. 3504) in foreign cases. Cases submitted under 38 U.S.C. 3504 in which a forfeiture is declared will no longer require review and concurrence by the Director, Compensation and Pension Service or the General Counsel.

(2) Automatic forfeitures provided by 38 U.S.C. 3505 will be administratively effectuated by the Board on Waivers and Forfeitures. When first notice of an indictment, conviction, or acquittal under this section is received in Central Office the Board on Waivers and Forfeitures will inform the Chief Attorney of the apropriate field office in order that payment of any gratuitous benefits may be discontinued or resumed, as appropriate.

(3) All future decisions requiring action by an operating activity will be referred to the field office through the Chief Attorney.

(c) *Effective dates*—(1) *Public Law 86–222.* The provisions relative to forfeiture are effective September 1, 1959, date of enactment of the law.

(2) *Discontinuances.* (i) Upon receipt of notice that the Chief Attorney is submitting a foreign case to the Board of Waivers and Forfeitures for fraud or treasonable acts, or upon notice from the Chief Attorney of an indictment for subversive activities, payments will be discontinued date of last payment pending further disposition.

(ii) Upon receipt of notice from the Chief Attorney that the Board on Waivers and Forfeitures has declared or effectuated a forfeiture, payments will be discontinued the date of award or date preceding the commission of the act resulting in the forfeiture, whichever is later.

(3) *Resumptions.* (i) Upon return of a case from the Board on Waivers and Forfeitures and information from the Chief Attorney that no forfeiture was declared, or upon receipt of notice from him of acquittal (subversive activities), payments will be resumed promptly effective date of discontinuance if otherwise in order.

(ii) Where an individual who has forfeited benefits is pardoned by the President, the rights to benefits will be restored as of the date of pardon, if claim is filed within 1 year from that date; otherwise benefits will be restored from the date of filing claim. The award will note prior action and any overpayment in the case will be liquidated before payments are resumed by the finance activity.

(d) *Prior decisions and old cases*—(1) *Prior decisions.* All decisions invoking forfeiture of benefits made by the Board on Waivers and Forfeitures prior to September 1, 1959, remain in full force and effect, unless reversed on appeal.

(2) *Apportionment awards*—(i) *No running award.* The law provides that no apportionment award shall be made in any case after September 1, 1959. No new award, therefore, will be approved in any case after that date.

(ii) *Running award.* Apportionment awards on which payments were being made on September 1, 1959, may be continued. None will be increased above the amount being paid on September 1, 1959. Such awards may be reduced, discontinued and reinstated; Examples: an award may be resumed following discontinuance for failure of a fiduciary to render prompt accounting, or following failure of a payee to return an income questionnaire. If an award is reduced or discontinued because a child became 18 years of age, it may be reinstated subsequently if the child begins an approved course of instruction. Where a wife receiving an apportionment award for herself and a child or children dies, an apportionment award may be made for the child or children even though the wife died on or after September 1, 1959. (Instruction 1, 38 U.S.C. 3503, 3504, and 3505, Public Law 86–222.)

(72 Stat. 1114; 38 U.S.C. 210)

This regulation is effective June 14, 1960.

[SEAL] BRADFORD MORSE,
Deputy Administrator.

[F.R. Doc. 60–5444; Filed, June 13, 1960; 8:52 a.m.]

Title 45—PUBLIC WELFARE

Chapter III—Bureau of Federal Credit Unions, Social Security Administration, Department of Health, Education, and Welfare

REVISION

Notice of proposed rule making, public procedures thereon, and delay in effective date in the issuance of the following additions and revisions have been omitted because of the following findings and reasons:

Part 300—Definitions, is new. Chapter III is revised to take full advantage thereof by eliminating verbiage.

In addition, certain technical amendments are made to eliminate obsolete provisions, eliminate certain requirements, and to conform the rules and regulations to certain requirements of the Federal Credit Union Act, as amended. For example, in Part 301, § 301.5 (a) and (b), reference to the Division of Field Operations is omitted to reflect changes in the organization of the Bureau; and in §§ 301.12 and 301.13, the requirement for reports on Forms FCU–110 Rev. and FCU–109 Rev., respectively as of June 30 of each year has been eliminated. In Part 302, §§ 302.2 and 302.3 are amended to require the transfer of funds to the Regular Reserve and to the Special Reserve for Delinquent Loans, as the case may be and as may be required by statute and by rule and regulation, at the end of each dividend period before the declaration of any dividend. This latter amendment is necessitated by the provision of the Federal Credit Union Act, as amended, Public Law 86–354, approved September 22, 1959, 73 Stat. 628, et seq., 12 U.S.C. 1763, which authorizes either annual or semi-annual dividends after provision for the required reserves.

In view of the editorial and technical nature of these amendments and revisions, the Director finds that advance notice and public procedure thereon are impracticable, unnecessary, and contrary to the public interest.

Chapter III of Title 45 of the Code of Federal Regulations is revised to read as follows:

PART 300—DEFINITIONS

§ 300.1 Definitions.

As used in this chapter:

(a) The term, "Bureau," means the Bureau of Federal Credit Unions, Social Security Administration, Department of Health, Education, and Welfare.

(b) The term, "Director," means the Director of the Bureau of Federal Credit Unions.

(c) The term, "Regional Representative," means the representative of the Bureau in the designated geographical area in which the office of the Federal credit union is located.

(d) The term, "Regional Office," means the office of the Bureau located in the designated geographical area in which the office of the Federal credit union is located.

(e) The term, "Act," means the Federal Credit Union Act (73 Stat. 628, 12 U.S.C., 1751–1772).

(f) The term, "State," means a State of the United States, the District of Columbia, any of the several Territories and possessions of the United States, the Panama Canal Zone, and the Commonwealth of Puerto Rico.

(1648 Stat. 1221, as amended; 12 U.S.C. 1766)

PART 301—ORGANIZATION AND OPERATION OF FEDERAL CREDIT UNIONS

Sec.

AUTHORITY: §§ 301.1 to 301.20 issued under sec. 21, 73 Stat. 635, 12 U.S.C. 1766; § 301.21 issued under sec. 8(5), 73 Stat. 630; 12 U.S.C. 1757 8(5); §§ 301.22 and 301.23 under sec. 8 (12, 73 Stat. 631; 12 U.S.C. 1757 8(12)).

§ 301.1 Organization of Federal credit unions.

(a) Persons desiring to form a Federal credit union shall submit, in duplicate, on forms prescribed by the Bureau, a proposed organization certificate (Form FCU 503B). The certificate shall be subscribed to before an officer competent to administer oaths by not less than 7 natural persons who have a common bond of occupation, or association, or are within a well-defined neighborhood, community, or rural district, and shall specifically state:

(1) The proposed name of the association.

(2) The location of the proposed Federal credit union and the territory in which it will operate.

(3) The names and addresses of the subscribers to the certificate and the number of shares subscribed by each.

(4) The par value of the shares, which shall be $5 each.

(5) The proposed field of membership, specified in detail.

(6) The term of the existence of the corporation, which may be perpetual.

(7) The fact that the certificate is made to enable such persons to avail themselves of the advantages of the Federal Credit Union Act, as amended.

Copies of the form of organization certificate may be obtained from the Washington Office of the Bureau or from any Regional Office.

(b) The proposed organization certificates shall be submitted to the Regional Representative together with a check or money order payable to the Bureau of Federal Credit Unions in the amount of $25.00 in payment of the investigation fee of $20.00 and charter fee of $5.00. The Regional Representative will investigate and make recommendations as to whether the proposed organization certificate conforms to the Act; as to the general character and fitness of the subscribers thereto; and as to the economic advisability of establishing the proposed Federal credit union. The report and recommendation of the Regional Representative shall be forwarded to the Bureau in Washington, D.C. The Director shall consider the proposed organization certificate and the recommendations of the Regional Representative and shall approve or disapprove the proposed organization certificate. The organization certificate, if approved, shall be the charter of the Federal credit union. If the organization certificate is disapproved, the incorporators shall be notified of the basis for such action and the charter fee of $5.00 shall be returned to them. Under no circumstances shall the investigation fee of $20.00 be returned.

§ 301.3 Standard form of bylaws.

(a) Proposed bylaws, in form and content approved by the Director, shall be submitted by the incorporators to the Director for his approval at the time of submitting an organization certificate to the Regional Representative.

(b) Specimen copies of the standard form of bylaws (FCU 503–C) may be obtained from the Regional or Washington Offices of the Bureau.

§ 301.4 Amendment of bylaws and charters.

Amendments to the bylaws of a Federal credit union may be adopted and amendments to the charter requested as provided in the bylaws. No amendment of the bylaws or of the charter shall become effective, however, until approved in writing by the Director.

§ 301.5 Other applications.

(a) Except as otherwise provided by rule or regulation of the Bureau all applications, requests, and submittals regarding Federal credit unions, for which no form of application has been prescribed by the Bureau, shall be in writing, signed by the applicant or his duly authorized agent, and shall contain a statement of the action requested, the reasons and facts relied upon as the basis for such requested action, and the applicant's interest in the matter. The application, request, or submittal shall be addressed to the Regional Representative or to the Bureau of Federal Credit Unions in Washington, D.C. The applicant shall furnish such other pertinent information as may be required by the Director.

(b) Unless otherwise provided in these regulations, all applications regarding Federal credit union matters shall be investigated and reviewed by the Regional Representative. The report and recommendations of the Regional Representative as to the application shall be transmitted to the Bureau in Washington, D.C. Notice of the action of the Director shall be promptly transmitted to the applicant together with a statement as to the basis for the action.

§ 301.6 Fee for supervision.

(a) *Extent of fee.* (1) Not later than January 31 of each calendar year, each Federal credit union shall pay to the Bureau, for the preceding calendar year, a supervision fee in accordance with the graduated scale set forth in subparagraph (2) of this paragraph on the basis of assets as of December 31 of such preceding year, but such fee shall in no event be less than $10.00: *Provided, however,* That no such annual fee shall be payable by such an organization with respect to the year in which its charter is issued or the year in which final distribution is made in liquidation of the credit union or the charter is otherwise canceled.

(2) Scale of supervision fees:

Total assets	*Maximum fee*
$500,000 or less	30 cents per $1,000.
Over $500,000 and not over $1,000,000	$150, plus 25 cents per $1,000 in excess of $500,000.
Over $1,000,000 and not over $2,000,000	$275, plus 20 cents per $1,000 in excess of $1,000,000.
Over $2,000,000 and not over $5,000,000	$475, plus 15 cents per $1,000 in excess of $2,000,000.
Over $5,000,000	$925, plus 10 cents per $1,000 in excess of $5,000,000.

Provided, however, That no fee shall be payable with respect to the last fractional part of $1,000 of total assets.

(3) Definition of assets:

(i) The term, "assets," as used in this section shall mean all items properly coming within the classification of asset accounts as stated in the Accounting Manual for Federal Credit Unions, FCU-544, as revised.

(ii) The term, "total assets," as used in this section shall mean the sum of all assets.

(b) *Supervision fee certificate.* The treasurer of each Federal credit union shall certify as to the correctness of the Supervision Fee Certificate, Form FCU-511 Rev. He shall send, not later than January 31 of each year, the original Supervision Fee Certificate and as many copies as the Bureau may request, together with a check in payment of the supervision fee stated on the Supervision Fee Certificate to be due, to the Bureau of Federal Credit Unions in Washington, D.C. Copies of the Supervision Fee Certificate form may be obtained from any Regional Office.

(c) *Checks in payment of supervision fees.* All checks in payment of supervision fees shall be made payable to the Bureau of Federal Credit Unions.

(d) *Audit of supervision fee computation and payment.* Whenever the Bureau makes a regular or special examination of a Federal credit union, the employee of the Bureau making the examination will audit the computation and payment of annual supervision fee(s) for the years which have elapsed since the last previous audit. Such employee shall adjust any errors in computation and the Federal credit union shall deliver to such employee a check payable to the Bureau of Federal Credit Unions to cover the amount of any underpayment of the supervision fee(s). The decision of the employee of the Bureau as to the amount due shall be final and conclusive: *Provided,* That the Federal credit union may make the supplementary payment subject to the results of an appeal from the employee's decision to the Regional Representative: *Provided further,* That the Federal credit union shall file such appeal within 30 days from the date of the employee's decision. If the audit discloses that an overpayment has been made, the employee of the Bureau is authorized to advise and assist the Federal credit union to prepare and file a request for a refund of the amount of overpayment. Such request should be addressed to the Regional Representative.

§ 301.7 Fee for examination.

(a) Each Federal credit union shall pay the Bureau a fee for each examination in accordance with the schedule of fees fixed from time to time by the Director.

(b) In establishing such fees, the Director shall consider the anticipated aggregate cost of the examination program including supervision, salaries, travel and all other items which affect the cost of the examination program.

(c) The fee for examinations of Federal credit unions with assets of less than $25,000 shall not exceed 50 cents per hundred dollars of assets as of the effective date of the examination. The Director may establish a minimum fee for examination which shall not exceed $25.00. The Director may waive the fee for an examination within twelve months after the date a charter is approved if the payment would, in the opinion of the Director, cause a hardship.

(d) Each Federal credit union shall be notified at least 30 days prior to the effective date of any schedule of fees fixed pursuant to this section. Upon receipt of such notification interested persons may submit written data, views, or arguments for consideration by the Director, and the Director may, after consideration, make such revisions in the proposed schedule or such change in the effective date as he deems appropriate. Each Federal credit union shall be notified of such revision or change not less than 15 days prior to the final effective date.

§ 301.8 Fee for examination of Federal credit unions in liquidation.

Federal credit unions in liquidation may be examined prior to or following completion of liquidation. A fee assessed in accordance with the most recent schedule of examination fees prescribed by the Director as provided in § 301.7 shall be paid for each such examination.

§ 301.9 Loans by Federal credit unions to other credit unions.

On authorization of its board of directors, or a duly appointed executive committee, a Federal credit union may invest its funds in loans to other Federal credit unions or to State chartered credit unions in the total amount not exceeding 25 percent of its paid-in and unimpaired capital and surplus. The terms of such loans shall not exceed one year and the rate of interest shall not exceed 6 percent per annum. Prior to making the loan, the Federal credit union shall require the borrowing credit union to furnish the following:

(a) A current financial and statistical report;

(b) A copy of the latest supervisory committee audit report;

(c) A certified copy of the resolution of the board of directors or the executive committee authorizing such borrowing; and

(d) A certificate from the secretary of the credit union that the persons negotiating the loan and executing the note are officers of the credit union and are authorized to act in its behalf, and that such borrowing does not exceed the maximum borrowing power of the borrowing credit union.

§ 301.10 Establishment of cash funds for making change.

The board of directors of a Federal credit union may establish a permanent cash fund in an amount not to exceed $500 for the purpose of making change and cashing checks. On all cash funds established in excess of $500, except temporary funds which shall not be retained longer than 3 banking days, the board of directors shall obtain prior written permission of the Regional Representative.

§ 301.11 Election report.

Each operating Federal credit union shall file annually with the Regional Representative, within 10 days after the election or appointment of officials, a report setting forth the names and addresses of its officials. Copies of the standard form of report prescribed by the Bureau (Form FCU-2) may be obtained from the Regional Representative or from the Bureau in Washington, D.C.

§ 301.12 Supervisory committee audit report.

The supervisory committee of every Federal credit union shall audit the affairs of its credit union at least quarterly and shall promptly make a report of each audit to the board of directors of the Federal credit union. This report shall be on Form FCU-110 prescribed by the Bureau in the Supervisory Committee Manual for Federal Credit Unions. A copy of this report for the period ending December 31 of each year shall be filed by the supervisory committee with the Regional Representative, not later than the following January 31.

§ 301.13 Financial and statistical and other reports.

(a) Each operating Federal credit union shall file in the Regional Office on or before January 15 of each year an annual Financial and Statistical report on Form FCU-521 as of the previous December 31. Form FCU-521 is furnished to all Federal credit unions by the Bureau, and copies may be obtained from any Regional Office.

(b) When it is deemed necessary or desirable and upon written notice from the Director, Federal credit unions shall file, in accordance with instructions contained in such notice as to time and place, such Financial and Statistical or other reports as of such date or dates as shall be prescribed in such notice.

(c) When it is deemed necessary because of the condition of the Federal credit union and upon written notice from the Director or Regional Representative, the Federal credit union shall file, in accordance with the instructions contained in such notice as to time and place, Financial and Statistical reports including reports on Form FCU-109, as of such date or dates as shall be prescribed in such notice.

§ 301.14 Accounting Manual for Federal Credit Unions.

(a) The Bureau has promulgated for use by Federal credit unions the Accounting Manual for Federal Credit Unions (Form FCU-544). A copy of this manual is furnished to each Federal credit union at the time the approved organization certificate is delivered to the incorporators by the Bureau. This manual specifies the type of records to be maintained and the accounting forms to be used by each Federal credit union. Variations in prescribed accounting records may be approved by the Bureau on presentation of convincing evidence of convenience or advantage. The Federal credit union shall obtain such approval prior to adopting a revision of any prescribed accounting form. On receipt of a request in writing from a Federal credit

union for approval of a variation in prescribed accounting forms, the Regional Representative shall furnish information and instructions concerning the proposed variation in the prescribed accounting forms and records.

(b) The following standard accounting records are prescribed for use by Federal credit unions:

Bank Reconcilement (Form FCU-108).
Cash Received Voucher (Form FCU-105).
Dividend Record (Form FCU-112).
Financial and Statistical Report (Form FCU-109).
General Ledger (Form FCU-102).
Individual Share and Loan Ledger (Form FCU-103).
Individual Share and Loan Ledger (Optional Forms FCU-103A, 103D, and 103G).
Journal and Cash Record (Form FCU-101).
Journal and Cash Record (continuation sheet) (Form FCU-101A).
Member's Passbook (Form FCU-107).
Member's Statement of Account (Form FCU-107G).
Trial Balance of General Ledger Accounts (Form FCU-116).

§ 301.15 Credit Manual.

The Bureau has promulgated a manual of instructions for credit committees, loan officers, and other officials and employees of Federal credit unions (Form FCU-548). A copy of this manual is furnished to each Federal credit union at the time the approved organization certificate is delivered to the incorporators by the Bureau.

§ 301.16 Supervisory Committee Manual for Federal Credit Unions.

The Bureau has promulgated a manual of procedure for supervisory committees of Federal credit unions (Form FCU-545). A copy of this manual is furnished to each Federal credit union at the time the approved organization certificate is delivered to the incorporators by the Bureau.

§ 301.17 Federal Credit Union Handbook.

The Bureau has promulgated a manual of instructions for directors and officers of Federal credit unions (Form FCU-543). A copy of this handbook is furnished to each Federal credit union at the time the approved organization certificate is delivered to the incorporators by the Bureau.

§ 301.18 Petitions.

Any interested person may petition the Director for the issuance, amendment, or repeal of any regulation by submitting such petition in writing together with a complete and concise statement of the petitioner's interest in the subject matter and the reasons why the petition should be granted. Such petition shall be submitted to the Bureau in Washington, D.C.

§ 301.19 Retirement benefits for employees of Federal credit unions.

Federal credit unions may make provision for reasonable retirement benefits for employees and for officers who are compensated in conformance with the Act and the bylaws, but no Federal credit union shall undertake to administer its own retirement plan.

§ 301.20 Surety bond coverage for Federal credit unions.

(a) The board of directors of each Federal credit union shall, at least semiannually, carefully review the bond coverage in force in order to ascertain its adequacy in relation to the exposure and to the minimum requirements fixed from time to time by the Director.

(b) All surety bonds must provide for faithful-performance-of-duty coverage for any officer or employee while performing any of the duties of the treasurer as prescribed in the Act, the bylaws, or rules and regulations of the Bureau.

(c) No form of surety bond shall be used except as is approved by the Director. Credit Union Blanket Bond, Standard Form No. 23 of the Surety Association of America (revised to May 1950), plus Faithful Performance Rider (for use with this form to broaden Insuring Clause (A), Revised to May 1950) shall be considered as the minimum coverage required and is hereby approved. Credit Union Blanket Bond—BFCU Optional Form No. 576 plus Faithful Performance of Duty Rider—Form BFCU 576F is also approved. No other bond form may be used unless specifically approved in writing by the Director. No form of surety bond is approved for use by a Federal credit union having its office outside of the continental United States unless by the terms of the bond or by an appropriate rider attached thereto the provisions of the bond are made applicable within the jurisdiction in which the office of such Federal credit union is located.

(d) All sureties writing Federal credit union bonds must hold a certificate of authority from the Secretary of the Treasury under the act of Congress approved July 30, 1947 (6 U.S.C., secs. 6–13) as an acceptable surety on Federal bonds in the State or jurisdiction concerned.

(e) The schedule of coverage set forth in paragraph (f) of this section shall not be deemed to cover cash funds of $1,000 or more. In cases where the cash fund (either temporary or permanent) is $1,000 or more, additional coverage to the full extent of the change fund shall be required.

(f) The following schedule shall be deemed as the minimum requirements only:

Assets:	*Minimum coverage*
$0,000 to $5,000	$1,000
$5,001 to $10,000	2,000
$10,001 to $20,000	4,000
$20,001 to $30,000	6,000
$30,001 to $40,000	8,000
$40,001 to $50,000	10,000
$50,001 to $75,000	15,000
$75,001 to $100,000	20,000
$100,001 to $150,000	30,000
$150,001 to $200,000	40,000
$200,001 to $300,000	50,000
$300,001 to $400,000	60,000
$400,001 to $500,000	70,000
$500,001 to $750,000	85,000
$750,001 to $1,000,000	100,000
Over $1,000,000	(1)

[1] $100,000 plus $50,000 for each additional million or fraction thereof of assets.

It shall be the duty of the board of directors of each Federal credit union to provide proper protection to meet any circumstance by obtaining adequate bond (and insurance) coverage in excess of the above minimum schedule.

(g) The Director may require additional coverage for any Federal credit union when, in his opinion, the surety bonds in force are insufficient to provide adequate surety coverage and it shall be the duty of the board of directors of the Federal credit union to obtain such additional coverage within thirty days after the date of written notice.

§ 301.21 Payment or amortization of loans.

(a) Within the limits of the Act and such further limits as may be imposed by the board of directors pursuant to the Act and the bylaws, the credit committee, or a duly appointed and authorized loan officer, of a Federal credit union, in arriving at the terms of payment or amortization of an approved loan to a member, shall take into account, among other factors deemed relevant, the source of funds and the regularity and frequency of receipt of funds which the borrower proposes to utilize for the purpose, the borrower's other commitments and anticipated needs over the loan period, and the best interests of the credit union.

(b) Pursuant to the bylaws, the board of directors of a Federal credit union by resolution may require that all loans approved by the credit committee, or by a duly appointed and authorized loan officer, or that certain classes of such loans, shall provide for payment or amortization by periodic, substantially equal, payments of principal which are to be made at intervals shorter than 12 months and which are sufficient to retire the loan at its maturity.

(c) Subject to any limitations imposed by the board of directors as provided for by paragraphs (a) and (b) of this section, the credit committee, or a duly appointed and authorized loan officer, may approve loans with maturities of one year or less which provide for retirement thereof by a single payment of the principal at maturity.

(d) (1) Subject to any limitations imposed by the board of directors as provided for in paragraphs (a) and (b) of this section, loans with maturities in excess of one year approved by the credit committee, or a duly appointed and authorized loan officer, shall provide for payment or amortization by periodic, substantially equal, payments of principal which are to be made at intervals of not greater than 12 months and which are sufficient in amount to retire such loans at maturity.

(2) Notwithstanding the provisions of subparagraph (1) of this paragraph, and subject to any limitations imposed by the board of directors as provided for by paragraphs (a) and (b) of this section, loans with maturities in excess of one year but not in excess of thirty months, may provide for retirement by a single payment of principal at maturity or by payments at intervals greater than 12 months where the credit committee finds that such terms are justified by the needs and condition of the borrower after taking into account, among other factors

deemed relevant, his current commitments, the source or sources of the funds from which he plans and proposes to make such payment or payments, the regularity, frequency and reasonably predictable nature of the receipt of such funds, and the best interests of the credit union: *Provided,* That the payment or payments so provided for shall be scheduled to coincide with the anticipated receipt of the funds intended to be used therefor: *And provided,* That the findings of the credit committee shall be in writing signed by the chairman of the committee and retained in the borrower's loan file.

(e) All loans shall provide for the payment of interest with each payment of principal: *Provided however,* That no loan shall provide for the payment of interest less frequently than at intervals of twelve months.

§ 301.22 Selling checks and money orders.

(a) A Federal credit union may undertake to sell negotiable checks (including travelers checks) and money orders to its members only, for a fee which does not exceed the direct and indirect costs incident to providing such service, when it is determined by the board of directors that the provision of such service will not have any adverse effect upon the accomplishment by the credit union of its basic purpose of promoting thrift among its members and of providing to them a source of credit for provident and productive purposes.

(b) A Federal credit union which undertakes to provide this service shall:

(1) Have adequate physical facilities to handle and safeguard the cash funds to be used in connection therewith;

(2) Establish and maintain effective internal controls for the handling of and accounting for the cash funds and fees to be received and charged in connection therewith;

(3) Establish and enforce reasonable rules covering the kinds of negotiable checks (including travelers checks) and money orders, and the maximum amounts thereof, that it will sell to members;

(4) Establish and enforce reasonable rules and procedures to assure that the service will be provided to members of the Federal credit union only, including the identification of any member who requests the service;

(5) Obtain, and maintain in force and effect, any additional surety bond and insurance coverage required thereby;

(6) Determine that the fee charged does not exceed the direct and indirect costs incident thereto.

(c) The board of directors of a Federal credit union which has undertaken to provide this service shall review its operation from time to time to make certain that it is not having any adverse affect upon the accomplishment by the credit union of its basic purpose, and that the requirements of paragraph (b) of this section are being fulfilled on a current basis. Controls, rules and procedures established pursuant to paragraph (b) of this section may be amended by the board of directors from time to time to provide new or increased safeguards against loss, and to meet the best interests of the credit union and its members.

(d) The fees or commissions which a Federal credit union may receive pursuant to a contract with a third party providing for the sale of negotiable checks (including travelers checks) and money orders furnished by the third party, shall be deemed to be not in excess of the direct and indirect costs incident to providing this service.

(e) No fee shall be charged by a Federal credit union to a member for a check drawn by it on its own bank account in connection with the withdrawal by the member from a share account, or in connection with the disbursement of the proceeds of a loan.

§ 301.23 Cashing checks and money orders.

(a) A Federal credit union may undertake to cash checks and money orders for its members only, for a fee which does not exceed the direct and indirect costs incident to providing such service, when it is determined by the board of directors that the provision of such service will not have any adverse effect upon the accomplishment by the credit union of its basic purpose of promoting thrift among its members and of providing to them a source of credit for provident and productive purposes.

(b) A Federal credit union which undertakes to provide this service shall:

(1) Have adequate physical facilities to handle and safeguard the cash funds to be used in connection therewith;

(2) Establish and maintain effective internal controls for the handling of and accounting for the cash funds to be used and the fees to be charged in connection therewith;

(3) Establish and enforce rules covering the kinds of checks and money orders, and the maximum amounts thereof, that will be cashed;

(4) Establish and enforce rules and procedures to assure that the service will be provided to members of the Federal credit union only, including the identification of any member who requests the service;

(5) Obtain, and maintain in force and effect, any additional surety bond and insurance coverage required thereby;

(6) Determine that the fee charged does not exceed the direct and indirect costs incident thereto.

(c) The board of directors of a Federal credit union which has undertaken to provide this service shall review its operation from time to time to make certain that it is not having any adverse effect upon the accomplishment by the credit union of its basic purpose, and that the requirements of paragraph (b) of this section are being fulfilled on a current basis. Controls, rules and procedures established pursuant to paragraph (b) of this section may be amended by the board of directors from time to time to provide new or increased safeguards against loss, and to meet the best interests of the credit union and its members.

(d) No fee shall be charged by a Federal credit union to a member as for the cashing of a check or money order when such check or money order is used in whole or in part for payment of a loan, payment of interest, payment of any obligation to the credit union, or the purchase of shares. Nor shall any fee be charged to the member for the cashing of a check or money order drawn by the Federal credit union on its own bank account and issued to the member in connection with a withdrawal by the member from a share account or in connection with the disbursement of a loan.

PART 302—RESERVES

Sec.
302.1 Reserves in general.
302.2 Regular Reserve.
302.3 Special Reserve for Delinquent Loans.

AUTHORITY: §§ 302.1 to 302.3 issued under sec. 21, 73 Stat. 635; 12 U.S.C. 1766.

§ 302.1 Reserves in general.

Federal credit unions shall establish and maintain such reserves as may be required by the Act, or by regulation, or in special cases by the Director on his finding that the reserves of the Federal credit union concerned are insufficient.

§ 302.2 Regular Reserve.

(a) The treasurer shall transfer to a reserve to be known as the Regular Reserve (1) as of the close of business each month all entrance fees, transfer fees and late charges collected during the month; (2) as of the end of each dividend period 20 percent of the net earnings for that period before the declaration of any dividend: *Provided, however,* That when the Regular Reserve thus established shall equal 10 percent of the total amount of members' shareholdings, transfers of net earnings to the Regular Reserve may be limited to the amount necessary to maintain the Regular Reserve equal to 10 percent of the total amount of members' shareholdings; and (3) recoveries on items previously charged to the Regular Reserve.

(b) A Federal credit union may charge to its Regular Reserve losses on uncollectible loans to members and to other credit unions (including unrecovered collectible costs).

(c) (1) A Federal credit union may charge to its Regular Reserve losses other than those resulting from uncollectible loans to members or to other credit unions provided that each such charge has been approved in advance by the Director. In determining whether such charges shall be approved, the Director will be guided by the nature of the loss and the financial condition of the Federal credit union concerned as indicated by: The amount of loan delinquency and estimated losses on outstanding loans, current and prospective net earnings, and similar facts which may affect its operations and development.

(2) Applications for approval to charge such losses to the Regular Reserve shall be made in writing to the Regional Representative. The application shall: (i) Be authorized by the

board of directors of the Federal credit union; (ii) state the amount and nature of the loss; and (iii) describe fully the causes of the loss; and (iv) be accompanied by a copy of the Federal credit union's current financial and statistical report (Form FCU–109) and a copy of the current schedule of delinquent loans. The Regional Representative may request such additional information concerning the financial condition, operating practices, and management of the Federal credit union as he may deem necessary in a particular case.

(3) The Regional Representative will investigate each such application and will make a recommendation as to whether it should be approved or disapproved. The application and recommendation of the Regional Representative shall be forwarded to the Bureau in Washington, D.C. The Director shall approve or disapprove the application. The Regional Representative will be informed of the Director's action on the application and will notify promptly the Federal credit union concerned.

§ 302.3 Special Reserve for Delinquent Loans.

(a) The Regular Reserve of each Federal credit union shall be supplemented by a special reserve to be known as the Special Reserve for Delinquent Loans, which shall be equal to the excess of the sum of 10 percent of the unpaid balances of loans delinquent more than two months and less than six months, plus 25 percent of the unpaid balances of loans delinquent from 6 months to less than 12 months, and plus 80 percent of the unpaid balances of loans delinquent 12 months or more over the balance in the Regular Reserve. In the event it is necessary to supplement the Regular Reserve by a Special Reserve for Delinquent Loans, the transfer to the Special Reserve for Delinquent Loans shall be made as of December 31 of each year, and as of June 30 of each year if dividends are to be paid semiannually, from Undivided Earnings before any distribution of dividends. The maintenance of a Special Reserve for Delinquent Loans shall not eliminate the necessity for transferring net earnings as of the end of each dividend period to the Regular Reserve as required by paragraph (a) of § 302.2. In the event the required transfer exceeds the balance of Undivided Earnings, only the balance of Undivided Earnings shall be transferred to the Special Reserve for Delinquent Loans.

(b) When, as of the end of any dividend period, the amount in the Special Reserve for Delinquent Loans exceeds the amount required by the regulations in this part, the board of directors of the Federal credit union may authorize the transfer of the excess to Undivided Earnings.

(c) Upon written application by the board of directors of a Federal credit union, the Director may waive, in whole or in part, the requirement for the maintenance of the Special Reserve for Delinquent Loans contained in paragraph (a) of this section. Such applications shall be addressed to the Regional Representative.

PART 310—VOLUNTARY LIQUIDATION OF FEDERAL CREDIT UNIONS

Sec.

AUTHORITY: §§ 310.1 to 310.15 issued under sec. 21, 73 Stat. 635; 12 U.S.C. 1766.

§ 310.1 Approval of liquidation.

A Federal credit union may go into voluntary liquidation on approval of a majority of its members in writing or by a vote in favor of such liquidation by a majority of the members of the credit union at a regular meeting of the members or at a special meeting called for that purpose. Where authorization for liquidation is to be obtained at a meeting of members, notice in writing shall be given to each member at least 7 days before such meeting and the minutes of the meeting shall show the number of members present and the number that voted for and against liquidation. If approval by a majority of all members is not obtained at the meeting of members, authorization for voluntary liquidation may be obtained by having a majority of members sign a statement in substantially the following form:

We the undersigned members of the ---------- Federal Credit Union, Charter No. ------, hereby request the dissolution of our credit union.

§ 310.2 Notice of liquidation to Bureau of Federal Credit Unions.

Within 10 days after the decision of the board of directors to submit the question of liquidation to the members, the president shall notify the Regional Representative thereof in writing, setting forth in detail the reasons for the proposed action. Within 10 days after the action of the members on the question of liquidation, the president shall notify the Regional Representative in writing as to whether or not a majority of the members approved the proposed liquidation.

§ 310.3 Transaction of business during liquidation.

Immediately on decision by the board of directors of a Federal credit union to seek approval of the members for liquidation, payments on shares, withdrawal of shares (including any transfer of shares to loans and interest), making investments of any kind, and granting of loans shall be suspended pending action by members on the proposal to liquidate, and on approval by a majority of the members of such proposal, payments on shares, withdrawal of shares (including any transfer of shares to loans and interest), making investments of any kind, and the making of loans shall be permanently discontinued. Necessary expenses of operation shall, however, continue to be paid on authorization by the board of directors or liquidating agent during the period of the liquidation.

§ 310.4 Notice of liquidation to members.

Immediately on decision by the board of directors, a notice of such decision shall be handed to each member or mailed to his last known address together with a request that the member furnish his passbook or confirm in writing the shares held by him in the Federal credit union and the loans owed by him to the Federal credit union.

§ 310.5 Notice of liquidation to creditors.

On approval of a majority of the members of a Federal credit union of a proposal to liquidate, the board of directors of the Federal credit union shall immediately have prepared and mailed to all creditors a notice of liquidation containing instructions to them to present their claims to the Federal credit union within 90 days for payment.

§ 310.6 Report at commencement of liquidation.

At the commencement of voluntary liquidation of a Federal credit union, the treasurer or agent conducting the liquidation shall file with the Regional Representative a financial and statistical report on form FCU–109, and a schedule showing the name, book number, share balance, and loan balance of each member.

§ 310.7 Reports during period of liquidation.

Federal credit unions in the process of voluntary liquidation shall file with the Regional Representative a financial and statistical report on form FCU–109 as of December 31 within 10 days after such date. Additional reports, as determined by the Regional Representative to be necessary, shall be furnished promptly on written request.

§ 310.8 Examinations of Federal credit unions in voluntary liquidation.

When deemed advisable by the Regional Representative, an examination of the books and records of a Federal credit union may be made prior to, during, or following completion of voluntary liquidation. A fee for each such examination shall be assessed at the rate currently in effect for examinations of operating Federal credit unions as provided in §§ 301.7 and 301.8 of this chapter.

§ 310.9 Responsibility for conduct of voluntary liquidations.

The board of directors of a Federal credit union in voluntary liquidation shall be responsible for conserving the assets, for expediting the liquidation, and for equitably distributing the assets

to members. The board of directors shall determine that all persons handling or having access to funds of the Federal credit union are adequately covered by surety bond. The board of directors shall appoint a custodian for the Federal credit union's records that are to be retained for 5 years after the charter is canceled. The board of directors may appoint a liquidating agent and delegate part or all of these responsibilities to him and may authorize reasonable compensation for his services; any such liquidating agent shall be bonded for faithful performance of his duties. The supervisory committee shall be responsible for making periodic audits of the credit union's records, at least quarterly, during the period of liquidation.

§ 310.9a Partial distribution.

With the written approval of the Regional Representative, a partial distribution of the credit union's assets may be made to its members from cash funds available on authorization by its board of directors, or by a duly authorized liquidating agent whose appointment specifically includes such authority.

§ 310.10 Completion of liquidation.

When all assets of the Federal credit union have been converted to cash or found to be worthless and all loans and debts owing to it have been collected or found to be uncollectible and all obligations of the Federal credit union have been paid, with the exception of amounts due its members, the books shall be closed and the pro rata distribution to members computed. The amount of gain or loss shall be entered in each member's share account and should be entered in his passbook or statement of account.

§ 310.11 Distribution of assets.

Promptly after the pro rata distribution to members has been computed, checks shall be drawn for the amounts to be distributed to each member who has surrendered his passbook or has given a written confirmation of his balance. The checks shall be mailed to such members at their last known address or handed to them in person. The passbooks or written confirmations submitted by members to verify balances shall be retained with the credit union records. The Regional Representative shall be notified promptly of the date final distribution of assets to the members is started.

§ 310.12 Final report.

Within 120 days after the final distribution to members is started, the Federal credit union shall furnish to the regional office the following:

(a) A schedule of unpaid claims, if any, due members who failed to surrender their passbooks or confirm their balances in writing during liquidation or due members or creditors who failed to cash final distribution checks within the said 120 days, shall be prepared on Form FCU–61d or its equivalent; this schedule shall be accompanied by a certified check or money order payable to the Bureau of Federal Credit Unions in the exact amount of the total of these unpaid claims. The Bureau will deposit said funds in a special account with the Chief Disbursing Office of the Treasury of the United States where they will be held for the account of the individuals named on said schedule. Each such individual, or any authorized person on his behalf, may submit to the Bureau a written claim for the amount of such funds held for him.

(b) A copy of a schedule showing the name, book number, share balance at the commencement of liquidation, pro rata share of gain or loss, and the amount distributed to each member on Form FCU–61d.

(c) A summary report on liquidation in duplicate on Form FCU–61f.

(d) The Certificate of Dissolution and Liquidation on Form FCU–61e signed under oath by the board of directors or agent who conducted the liquidation and made the final distribution of assets to the members.

(e) The name and address of the custodian of the Federal credit union's records.

(f) The charter of the Federal credit union.

§ 310.13 Retention of records.

All records of the liquidated credit union necessary to establish that creditors were paid and that members' shareholdings were equitably distributed shall be retained by a custodian appointed by the board of directors of said Federal credit union for a period of 5 years following the date of cancellation of the charter.

§ 310.14 Cancellation of charter.

On proof that distribution of assets has been made to members and within one year after receipt of the Certificate of Dissolution and Liquidation (form FCU–61e), the Director shall cancel the charter of the Federal credit union concerned.

§ 310.15 Further instructions and information.

Further detailed instructions and information pertaining to voluntary liquidations may be obtained from the Washington or Regional Offices of the Bureau.

PART 315—INVOLUNTARY LIQUIDATION OF FEDERAL CREDIT UNIONS

Sec.

AUTHORITY: §§ 315.1 to 315.6 issued under sec. 21, 73 Stat. 635, 12 U.S.C. 1766.

§ 315.1 Basis for involuntary liquidation.

The charter of any Federal credit union may be suspended or revoked, the Federal credit union placed in involuntary liquidation and a liquidating agent therefor appointed upon the finding by the Director that the organization is bankrupt, or insolvent, or has violated any provisions of its charter, its bylaws, the Act, or any regulation issued by the Bureau, or that such suspension or revocation and liquidation is in the best interests of the membership of the Federal credit union concerned.

§ 315.2 Suspension or revocation of charter.

Except as otherwise provided for by the regulations in this part, the Director before suspending or revoking the charter of a Federal credit union and placing the Federal credit union in liquidation, may cause to be served on the Federal credit union concerned a notice of intention to suspend or revoke the charter, a statement of the reasons for such proposed action and an order directing the Federal credit union concerned to show cause why its charter should not be suspended or revoked. Service of the order to show cause shall be either by mail addressed to the Federal credit union concerned at the last address of its office as shown by the records of the Bureau or by delivery to any officer or member of the board of directors of the Federal credit union. The order shall be returned to the Regional Representative. No oral hearing shall be held on such order to show cause, but the Federal credit union concerned may file with the Regional Representative, within the period of time specified in the order to show cause, a statement in writing setting forth the grounds and reasons why its charter should not be suspended or revoked. This statement shall be accompanied by a certified copy of a resolution of the board of directors of the Federal credit union concerned authorizing the filing of the statement. If no statement is received within the period of time specified in the order, or if the proffered reasons why the charter should not be suspended or revoked are found to be insufficient by the Director, he may order that the charter be suspended or revoked and may order the Federal credit union placed in involuntary liquidation. If the Federal credit union is ordered to be liquidated, the Director shall designate the liquidating agent in the order directing the liquidation. A copy of the order directing the suspension or revocation and, where proper, of the order directing the involuntary liquidation and of the appointment of a liquidating agent and a statement of the findings on which the order is based shall be served on the Federal credit union concerned. Such service shall be either by mail addressed to the Federal credit union concerned at the last address of its office as shown by the records of the Bureau or by delivery to any officer or member of the board of directors of the Federal credit union concerned.

§ 315.3 Order directing involuntary liquidation.

In the event that the Director does not order the Federal credit union placed in involuntary liquidation at the time he orders its charter suspended or revoked (see § 315.2), the Director may, at any time prior to the cancellation of the suspension or the annulment of the revo-

cation, order the Federal credit union concerned to show cause why it should not be placed in involuntary liquidation. Service of the order to show cause shall be either by mail addressed to the Federal credit union concerned at the last address of its office as shown by the records of the Bureau or by delivery to any officer or member of the board of directors of the Federal credit union concerned. The order shall be returned to the Regional Representative. No oral hearing shall be held on such order to show cause, but the Federal credit union concerned may file with the Regional Representative within the period of time specified in the order to show cause, a statement in writing setting forth the grounds and reasons why it should not be placed in involuntary liquidation. This statement shall be accompanied by a certified copy of a resolution of the board of directors of the Federal credit union concerned authorizing the filing of the statement. If no statement is received within the period of time specified in the order, or if the proffered reasons why the Federal credit union should not be placed in involuntary liquidation are found to be insufficient by the Director, he may order that the Federal credit union be placed in involuntary liquidation and may appoint a liquidating agent. A copy of the order directing the involuntary liquidation and appointment of a liquidating agent and a statement of the findings on which the order is based shall be served on the Federal credit union concerned. Such service shall be either by mail addressed to the Federal credit union concerned at the last address of its office as shown by the records of the Bureau or by delivery to any officer or member of the board of directors of the Federal credit union.

§ 315.4 Immediate suspension or liquidation.

In any case where the Director shall find that a Federal credit union is insolvent or that the interests of its members require immediate action or that the issuance of the order to show cause provided for in §§ 315.2 and 315.3 will not serve any purpose, the Director may order the suspension or revocation of the charter and the involuntary liquidation of the Federal credit union and the appointment of a liquidating agent therefor without prior notice to the Federal credit union of such action and without prior issuance of the order to show cause provided for in § 315.2 or § 315.3.

§ 315.5 Involuntary liquidation and appointment of liquidating agent.

On receipt of a copy of the order placing the Federal credit union in involuntary liquidation, the officers and directors of the Federal credit union concerned shall deliver to the liquidating agent possession and control of all books, records, assets, and property of every description of the Federal credit union, and the liquidating agent shall proceed to convert said assets to cash, collect all debts due to said Federal credit union and to wind up its affairs in accordance with the provisions of section 21 of the Act (12 U.S.C. 1766) and the instructions and procedures issued to said liquidating agent by the Regional Representative.

§ 315.6 Cancellation of charter.

On the completion of the liquidation and certification by the liquidating agent that the distribution of the assets of the Federal credit union has been completed, the Director shall cancel the charter of the Federal credit union concerned.

PART 320—DISCLOSURE OF OFFICIAL RECORDS AND INFORMATION

Sec.

AUTHORITY: §§ 320.1 to 320.6 issued under sec. 21, 73 Stat. 635; 12 U.S.C. 1766.

§ 320.1 Definitions.

As used in the regulations in this part, the term "person" includes a natural person, guardian, trust or estate, partnership, corporation, or joint stock company. The terms "records" and "information" include all files, documents, reports, books, accounts, opinions, orders, and records, and all information obtained at any time by the Bureau or by any officer or employee of the Department of Health, Education, and Welfare, in the course of discharging the official duties of the Bureau.

§ 320.2 Inspection of final opinions, orders and rules.

All final opinions or orders in the adjudication of cases and all rules issued by the Bureau in the administration of the Act, as amended (12 U.S.C. 1751 et seq.), not relating to matters of internal management, are available for public inspection at the offices of the Bureau of Federal Credit Unions, Washington 25, D.C., or at the appropriate Regional Office of the Bureau, except, those opinions and orders or parts thereof, which the Director may, for good cause, declare to be confidential, in which event such opinion or order or part thereof, will not be cited as a precedent. The provisions of §§ 320.4, 320.5, and 320.6 shall govern the disclosure of any opinion or order, or part thereof, declared confidential by the Director.

§ 320.3 Availability of official records and information.

All records and information of the Bureau, except rules issued in the administration of the Act, as amended, and opinions and orders in the adjudication of cases, are hereby declared to be confidential and no disclosure of any such records or information shall be made directly or indirectly except as hereinafter authorized by the regulations in this part.

§ 320.4 Information which may be disclosed and to whom.

Disclosure of any records or information of the Bureau declared to be confidential is hereby authorized only in the following cases and for the following purposes:

(a) To any Department, Agency or instrumentality of the United States Government where the records or information are required by such Department, Agency or instrumentality in the course of discharging its official duties: *Provided,* That the Director finds that such disclosure is not contrary to the public interest or to any applicable Federal law, or to any rule, regulation, or directive of the Executive branch of the Federal Government.

(b) To the proper Federal law enforcement and prosecuting authorities: *Provided,* That (1) such records or information relate to a violation of a Federal criminal law, and (2) such disclosure is not contrary to any Federal law or to any rule, regulation or directive of the Executive branch of the Federal Government. Neither the Bureau nor any employee of the Bureau may disclose any records or information to any State law enforcement or prosecuting authority unless specifically authorized to make such disclosure by the Director. The Director may authorize the Bureau or an employee of the Bureau to disclose records or information relating to the violation of a State criminal law to appropriate State law enforcement and prosecuting authorities, provided that such disclosure is not contrary to any Federal law or to any rule, regulation or directive of the Executive branch of the Federal Government if the Director determines that such disclosure (i) is not contrary to the public interest and (ii) will neither interfere with nor adversely affect either the performance of the functions, duties, or responsibilities of the Bureau or any investigation or prosecution which may be conducted or contemplated either by the Bureau or by any other Federal department, agency or instrumentality.

(c) To any person properly and directly concerned upon a verified written application by such person showing substantial interest in the said record or information: *Provided,* That the Director finds that such disclosure is not contrary to the public interest or to any Federal law, rule, regulation or directive of the Executive branch of the Federal Government.

(d) To any Federal credit union: *Provided,* That (1) such records or information pertain solely to the affairs of the said Federal credit union, and (2) the records or information are not classified "restricted" by the Bureau.

§ 320.5 Place to apply for disclosure.

Applications for disclosure of records or information shall be addressed to the Bureau of Federal Credit Unions, Social Security Administration, Department of

Health, Education, and Welfare, Washington 25, D.C.

§ 320.6 Authority for refusal to disclose.

Any request or demand for records or information, the disclosure of which is forbidden by the regulations in this part, shall be declined upon authority of the regulations in this part. If any officer or employee of the Bureau or of the Social Security Administration or of the Department of Health, Education, and Welfare, is sought to be required, by subpoena or other compulsory process, to produce such record or give such information, he shall respectfully decline to present such record or to divulge such information, basing his refusal on the regulations in this part.

PART 350—CREDIT UNIONS CHARTERED BY THE DISTRICT OF COLUMBIA

Sec.
350.1 Reserves in general.
350.2 Special reserve for delinquent loans.

AUTHORITY: §§ 350.1 and 350.2 issued under 47 Stat. 330, as amended by 67 Stat. 260, 68 Stat. 682, D.C. Code 26–512.

§ 350.1 Reserves in general.

Credit unions organized under the provisions of the District of Columbia Credit Unions Act (D.C. Code 26–501 to 26–518), shall establish and maintain such reserves as may be required by the regulations in this part, or in special cases by the Director on his finding that the reserves of a credit union chartered by the District of Columbia are insufficient.

§ 350.2 Special reserve for delinquent loans.

(a) Each credit union chartered by the District of Columbia shall establish a special reserve to be known as the Special Reserve for Delinquent Loans.

(b) For purposes of this section, the provisions of § 302.3 of this chapter with respect to Federal credit unions shall be deemed to be applicable to credit unions chartered by the District of Columbia, except that wherever reference is made in said § 302.3 to the term, "the Regular Reserve," such term shall be deemed to refer to the regular reserve provided by section 26–512 of the District of Columbia Code.

Effective date. These regulations shall become effective upon the date of publication in the FEDERAL REGISTER.

Dated: May 23, 1960.

[SEAL] J. DEANE GANNON,
Director, Bureau of Federal Credit Unions.

Approved: May 26, 1960.

W. L. MITCHELL,
Commissioner of Social Security.

Approved: June 7, 1960.

ARTHUR S. FLEMMING,
Secretary of Health, Education, and Welfare.

[F.R. Doc. 60–5383; Filed, June 13, 1960; 8:49 a.m.]

Title 46—SHIPPING

Chapter II—Federal Maritime Board, Maritime Administration, Department of Commerce

SUBCHAPTER J—MISCELLANEOUS

[General Order 89]

PART 355—REQUIREMENTS FOR ESTABLISHING UNITED STATES CITIZENSHIP

Evidence of United States Citizenship of Corporate Applicants for Benefits Under the Merchant Marine Act, 1936, as Amended

A new part, incorporating the text formerly known as Memoranda "A" and "B", and Supplement thereto, together with changes pursuant to Public Law 86–327, September 21, 1959 (73 Stat. 597), is hereby added to Subchapter J of this chapter, reading as follows:

Sec.
355.1 General.
355.2 Requirements regarding evidence of United States citizenship.
355.3 Form of affidavit.

AUTHORITY: §§ 355.1 to 355.3 issued under sec. 204 (49 Stat. 1987, as amended; 46 U.S.C. 1114); Pub. Law 86–327 (73 Stat. 597; 46 U.S.C. 11).

§ 355.1 General.

(a) Under section 2, Shipping Act, 1916, as amended, and section 905(c), Merchant Marine Act, 1936, as amended, no corporation is deemed a citizen of the United States unless it is organized under the laws of the United States or of a State, Territory, District, or possession thereof; its president or other chief executive officer and the chairman of its board of directors are citizens of the United States and no more of its directors than a minority of the number necessary to constitute a quorum are noncitizens (except that in case of corporations under Title VI, of the Merchant Marine Act, 1936, as amended, all directors must be citizens of the United States) and the controlling interest therein is owned by citizens of the United States (or, in the case of a corporation operating any vessel in the coastwise trade, on the Great Lakes, or on bays, sounds, rivers, harbors, or inland lakes of the United States, 75 percent of the interest in such corporation is owned by citizens of the United States).

(b) To satisfy the statutory requirements, an Affidavit of Citizenship of a corporate applicant, by one of its officers duly authorized to execute such affidavit, should be submitted. This affidavit should contain facts from which the corporation's citizenship can be determined. The mere allegations that the corporation is a citizen of the United States, and that the required percentage is owned by citizens of the United States, without the submission of appropriate documentary evidence to substantiate and corroborate such allegations, are not sufficient.

§ 355.2 Requirements regarding evidence of United States citizenship.

The information for inclusion in the affidavits and the documentary evidence in substantiation thereof are as follows:

(a) *Proof of domestic incorporation.* The affidavit, among other things, should contain the following:

(1) The exact name of the company;

(2) Its principal place of business; and

(3) The laws under which the corporation was organized and the date of organization.

A copy of the articles or certificate of incorporation and all amendments thereto, certified by the Secretary of the State where corporation was organized is required as proof of place of incorporation; the By-Laws of the corporation, certified by the Secretary of such corporation is required to be filed along with the aforementioned articles or certificate and the affidavit of citizenship; later amendments to the articles or certificates of incorporation and By-Laws should be filed promptly.

(b) *Proof that the president or other chief executive officer, vice presidents or other individuals who are authorized to act in the absence or disability of the president or other chief executive officer, the chairman of the board of directors, and the required number of directors are citizens of the United States.* Evidence should be submitted in proof of the United States citizenship of persons in the capacities enumerated. In the case of corporations receiving operating-differential subsidy, under Title VI of the Act, all directors thereof must be United States citizens. In case of other corporate applicants, it must be shown that no more than a minority of the number of directors necessary to constitute a quorum are non-citizens. (See Public Law 86–327, Sept. 21, 1959.) Such evidence should include name, address, date and place of birth, nationality, and if citizens of the United States, whether by birth, naturalization, or other basis.

(1) *Birth in the United States.* Evidence of birth in the United States, in the order of its conclusiveness, may be given as follows:

(i) Authenticated birth certificate; or

(ii) Authenticated baptismal certificate, showing baptism shortly after birth; or

(iii) Two affidavits of persons having personal knowledge of the time and place of birth, stating clearly facts from which affiants acquired such knowledge. Affiants may include father, mother, attending physician or midwife, uncle, aunt, older brother, older sister, or close family friend; or

(iv) Photostatic copy of entry in "Family Bible" with certification that it is taken from the "Family Bible"; or

(v) Affidavit of person whose citizenship is involved, stating the date and place of his birth, the source of his knowledge, the nonavailability of proof mentioned in subdivisions (i) to (iv) of this subparagraph, together with reference as to source where proof of his birth may be of record; i.e., Army or Navy

records, Civil Service employment records, census records, etc.

(2) *Naturalization.* Evidence of naturalization is obtainable from the Department of Justice, Immigration and Naturalization Service. This evidence is available to the Administration, provided the person whose citizenship is involved submits the date, place and the name of the court before which he was naturalized. Such person should also execute an affidavit showing dates and places of residence since naturaliaztion.

(3) *Citizenship by naturalization while a minor.* Any person alleging United States citizenship by virtue of the naturalization of a parent during his or her minority should obtain a certificate of citizenship from the Immigration and Naturalization Service, Department of Justice, which is available at any of its offices, by application therefor on Form N–600 (8 CFR Part 341). This certificate may be presented to the Office of General Counsel, Maritime Administration, Washington, D.C., for sighting and record, or in lieu thereof, the number and date of the certificate together with the place of issue thereof by the Immigration and Naturalization Service should be submitted, which data shall be subject to verification by said Service through inquiry by the Maritime Administration.

(4) *Birth abroad of American parents.* Any person alleging United States citizenship by virtue of being born outside of the United States of American parents, should obtain a certificate of citizenship from the Immigration and Naturalization Service, Department of Justice, which is available at any of its offices, by application therefor on Form N–600 (8 CFR Part 341). This certificate may be presented to the Office of General Counsel, Maritime Administration, Washington, D.C., for sighting and record, or in lieu thereof, the number and date of the certificate together with the place of issue thereof by the Immigration and Naturalization Service should be submitted, which data shall be subject to verification by said Service through inquiry by the Maritime Administration.

(5) *Married women.* If United States citizenship on behalf of a married woman is alleged by virtue of marriage to an American citizen prior to September 22, 1922, there should be submitted:

(i) An authenticated copy of the marriage certificate, and

(ii) Proof of the United States citizenship of the husband. An affidavit should be submitted setting forth what changes, if any, have occurred in the marital status since marriage.

In all other cases, the United States citizenship of a married woman must be established as hereinbefore indicated.

(6) In the event that satisfactory documentary evidence to establish the United States citizenship of individuals named has been filed with the Department of State in connection with the issuance of an American passport, a reference thereto will be sufficient. The individual's full name, date and place of birth, and the date, place of issuance, and the number of the passport should be given.

(c) *Proof that required interest in corporation is owned by citizens of the United States.* The affidavit of citizenship should include a statement of the total number of issued and outstanding shares of all classes of stock, together with a showing as to the voting rights of each class. The required ownership percentage may be shown by one of two methods; namely:

(1) *Individual stockholders.* In the case of a corporation relying on individual stockholders, including natural persons, associations, partnerships, and corporations, the citizenship of natural persons involved should be established in the same manner and as fully as that of the aforementioned officers and directors; the citizenship of associations, partnerships, and corporations involved should be established in the same manner and as fully as that of an applicant association, partnership or corporation.

(2) *Fair inference from residence of stockholders.* In the case of a corporation having to rely on more than thirty (30) stockholders, a fair inference can be made that the required ownership and voting interest is vested in citizens of the United States, if it is established by the stock ledger of the corporation or the records of the registrar or transfer agent that 65 percent or more, in the case of a corporation operating any vessel in the foreign trade (or in the case of a corporation operating any vessel in the coastwise trade, on the Great Lakes, or on bays, sounds, rivers, harbors or inland lakes of the United States, 95 percent or more), of the stock is owned by persons whose addresses are within the United States. The statement should include the number of shareholders who have given addresses in the United States, the number of shares of stock they own and the exact percentage that these shares are of the total issued and outstanding shares of stock. The same statement should be made for each class of stock, showing the voting rights thereof. The submission of these data to the Administration furnishes a basis from which a fair inference can be made (in the discretion of the Maritime Administrator) that since a very large proportion of the total stock and voting stock is in the hands of stockholders residing within the United States, the required percentage of ownership is in citizens of the United States. (See Collier Advertising Service, Inc. v. Hudson River Day Line, 14 Fed. Supp. 335.) If the fair inference rule is applied, the name of any stockholder owning five per centum (5 percent) or more of the total number of shares of stock of each class, if more than one, should be given and proof of United States citizenship submitted therefor. The statement should also set forth that of the shares of stock relied upon to establish that the required ownership and voting interest is vested in citizens of the United States, none is:

(i) The subject of any trust or fiduciary obligation in favor of any person not a citizen of the United States; or

(ii) Subject to a contract or understanding or other arrangement whereby the voting powers may be exercised, directly or indirectly, in behalf of any person who is not a citizen of the United States; or

(iii) By any other means whatsoever, subject to control by any person who is not a citizen of the United States.

(3) If it is not possible to comply with the foregoing the facts should be fully disclosed and special instructions obtained.

(4) Annual filing of data to evidence continuing United States citizenship status is required.

(5) Lenders and/or mortgagees as participants in Title XI (1936 Act) transactions are required, under the mortgage documents executed, to file evidence of continuing United States citizenship.

(6) Nominee stockholders (partnership or corporate) and said lenders and/or mortgagees may obtain form of proof to be submitted from the Office of General Counsel, Maritime Administration.

§ 355.3 Form of affidavit.

The following form of affidavit is prescribed for execution in establishing the United States citizenship of corporations applying for benefits under the Merchant Marine Act, 1936, as amended:

AFFIDAVIT OF UNITED STATES CITIZENSHIP

State of ----------:
County of ----------:

I, ----------, being duly sworn, depose and say:

That I am the (Title of office or offices held) of (Name of corporation), a corporation organized and existing under and by virtue of the laws of the State (or Commonwealth) of ----------, and that I am authorized to execute this affidavit concerning the United States citizenship of said (Name of corporation), an applicant for (Type of benefit applied for), pursuant to the provisions of section or sections (Designate by number) of the Merchant Marine Act, 1936, as amended;

That the information hereinafter set forth in this affidavit is given for the purpose of establishing the United States citizenship of said (Name of corporation) and is made and submitted as a part of the application for (Type of benefit applied for) as aforesaid;

That (Name of corporation) is a corporation organized and existing under and by virtue of the laws of the State (or Commonwealth) of ----------, with its principal executive office and place of business located at (Number, Street, City, and State), and that, as proof of its incorporation under the laws of the State (or Commonwealth) of ----------, there are attached hereto a certified copy of the Certificate or Articles of Incorporation, together with certified copy of corporate By-Laws, and amendments, if any;

That the following persons are the President or other Chief Executive Officer, Vice Presidents or other individuals who are authorized to act in the absence or disability of the President or other Chief Executive Officer, Chairman of the Board of Directors and Directors of said (Name of corporation), the applicant:

Name; Office; Place and Date of Birth

John Doe, President-Director, New York, N.Y., 1–18–1897.

Richard Roe, Secretary-Treasurer—Director, London, England, 3–12–1901.

(The foregoing list should include the officers, whether or not they are also directors, and all directors, whether or not they are

also officers. In the case of corporations, other than those under Title VI of the Act, any alien directors should be named and followed by a statement that under the corporate By-laws_____directors are necessary to constitute a quorum and that no more than a minority of the number of directors necessary to constitute a quorum are noncitizens.)

That John Doe is a citizen of the United States by virtue of his birth in the United States as shown in certified copy of birth certificate herewith (if a birth certificate is not available, give other acceptable proof as set forth in § 355.1(b); if passport data are given state the individual's full name and the number, date and place of issue of the passport; passports may be presented to the Office of General Counsel for sighting);

That Richard Roe is a citizen of the United States by virtue of his naturalization; give the Certificate of Naturalization number, date of issue and name and location of the court issuing said Certificate; naturalization certificates may be presented to the Office of General Counsel for sighting; the naturalized citizen should furnish an affidavit setting forth the places and dates of his residence since becoming a naturalized citizen;

That affiant has access to the stock books and records of said corporation; that the said stock books and records have been examined and disclose that, as of _____, 19__, said (Name of corporation) had issued and outstanding _____ shares of stock of all classes, held by _____ stockholders, said number of stockholders representing the ownership of the entire issued capital stock of said corporation;

(If different classes of stock exist, give the same data for each class issued and outstanding, showing the voting rights for each class.)

Explanatory note. To prove that the required interest (controlling interest for foreign trade, or, in the case of a corporation operating any vessel in the coastwise trade, on the Great Lakes, or on bays, sounds, rivers, harbors, or inland lakes of the United States, 75% thereof) in applicant corporation is owned by citizens of the United States, applicant may select one of two methods. It may (a) establish the United States citizenship of individual owners of such required interest; or (b) if it must rely on more than 30 shareholders, show that, for majority interest, 65% or more (or for 75% interest, 95% or more) of the stock is owned by persons whose addresses are within the United States. Such a showing furnishes a basis from which a fair inference can be made (in the discretion of the Maritime Administrator) that the required ownership is in citizens of the United States.

If the applicant is relying on the citizenship of individual owners (natural persons, associations, partnerships, and corporations) of the required interest, the following statement should be included:

That, in order to establish that the controlling interest (or 75% or more) of the stock in said corporation is owned by citizens of the United States, the applicant selects and relies upon the following owners:

(Here list the stockholders upon which applicant intends to rely, together with the number and class of shares of stock owned by each. A statement should be made at this point setting forth the facts upon which the citizenship of each owner is based; if an individual, attach to the affidavit the appropriate documentary evidence in the same manner as for the above-mentioned officers and directors; if a corporation, the same evidence is required to be furnished as that required for the applicant.)

If the applicant is relying on fair inference from residence within the United States of owners of 65% (or 95%) or more of its stock, the following should be included:

That the registered addresses of _____ holders of _____ shares of stock are shown as being within the United States, said _____ shares of (class) being _____% of the total of _____ shares of issued and outstanding stock (the same statement should be made as to each class of stock, if there is more than one class). Give name of and submit proof of United States citizenship for any holder of 5% or more of the total number of shares issued and outstanding of each class, if more than one; proof of citizenship beyond the second tier of ownership (in the discretion of the Maritime Administrator) is not required unless such ownership is in a parent or major stockholder.

The following statement should conclude each affidavit of citizenship:

That the controlling interest (or 75% of the interest) [1] in said corporation, as established by the data hereinbefore set forth, is owned by citizens of the United States; that the title to a majority (or 75%) [1] of the stock in said corporation is vested in citizens of the United States free from any trust or fiduciary obligation in favor of any person not a citizen of the United States; that such proportion of the voting power of said corporation is vested in citizens of the United States; that through no contract or understanding, is it so arranged that the majority (or more than 25%) [1] of the voting power of said corporation may be exercised, directly or indirectly, in behalf of any person who is not a citizen of the United States; and that, by no means whatsoever, is control of said corporation (or of any interest in said corporation in excess of 25%) [1] conferred upon or permitted to be exercised by any person who is not a citizen of the United States; and

That affiant has carefully examined this affidavit and asserts that all of the statements and representations contained therein are true to the best of his knowledge, information, and belief.

Subscribed and sworn to before me, a Notary Public in and for the State and County aforesaid, this _____ day of _____, 19__.

NOTE: The reporting requirements of this part have been approved by the Bureau of the Budget, in accordance with the Federal Reports Act of 1942.

Dated: June 8, 1960.

By order of the Acting Maritime Administrator.

JAMES L. PIMPER,
Secretary.

[F.R. Doc. 60-5384; Filed, June 13, 1960; 8:49 a.m.]

[1] Strike inappropriate language.

Proposed Rule Making

DEPARTMENT OF LABOR

Wage and Hour Division

[29 CFR Parts 608, 609, 610, 611, and 612]

[Administrative Order 534]

VARIOUS INDUSTRIES IN PUERTO RICO

Appointment To Investigate Conditions and Recommend Minimum Wages; Notice of Hearing

Pursuant to authority contained in the Fair Labor Standards Act of 1938, as amended (52 Stat. 1060, as amended; 29 U.S.C. 201 et seq.), and Reorganization Plan No. 6 of 1950 (3 CFR, 1950 Supp., p. 165), I hereby appoint, convene, and give notice of the hearings of Industry Committee No. 48–A for the Needlework and Fabricated Textile Products Industry in Puerto Rico; Industry Committee No. 48–B for the Handkerchief, Square Scarf, and Art Linen Industry in Puerto Rico; Industry Committee No. 48–C for the Women's and Children's Underwear and Women's Blouse and Neckwear Industry in Puerto Rico; Industry Committee No. 48–D for the Children's Dress and Related Products Industry in Puerto Rico; and Industry Committee No. 48–E for the Sweater and Knit Swimwear Industry in Puerto Rico.

Industry Committe No. 48–A is composed of the following representatives:

For the public: Paul H. Sanders, Chairman, Nashville, Tenn.; George J. Mintzer, New York, N.Y.; David M. Helfeld, Rio Piedras, P.R.

For the employees: Harry Frumerman, New York, N.Y.; Osiris R. Sanchez-Vazquez, San Juan, P.R.; Henry Schwartz, New York, N.Y.

For the employers: Joseph L. Dubow, New York, N.Y.; Stanley B. Siegel, Bayamon, P.R.; Gus B. Gellmann, Corozal, P.R.

For the purpose of this order, the Needlework and Fabricated Textile Products Industry in Puerto Rico is defined as follows:

The manufacture from any material of all apparel and apparel furnishings and accessories made by knitting, crocheting, cutting, sewing, embroidering, or other processes; and the manufacture of all textile products and the manufacture of like articles in which a synthetic material in sheet form is the basic component: *Provided, however,* That the industry shall not include any product or activity included in the Artificial Flower, Decoration, and Party Favor Industry (29 CFR Part 688), the Button, Jewelry, and Lapidary Work Industry (29 CFR Part 616), the Corsets, Brassieres, and Allied Garments Industry (29 CFR Part 614), the Fabric and Leather Glove Industry (29 CFR Part 603), the Hosiery Industry (29 CFR Part 687), the Men's and Boys' Clothing and Related Products Industry (29 CFR Part 615), the Shoe and Related Products Industry (29 CFR Part 601), the Straw, Hair, and Related Products Industry (29 CFR Part 613), or the Textile and Textile Products Industry (29 CFR Part 699), as defined in the wage orders for these industries in Puerto Rico; or in the Handkerchief, Square Scarf, and Art Linen Industry, the Women's and Children's Underwear and Women's Blouse and Neckwear Industry, the Children's Dress and Related Products Industry, and the Sweater and Knit Swimwear Industry, as defined in this Administrative Order appointing Industry Committees Nos. 48–B, 48–C, 48–D, and 48–E, respectively, for these industries in Puerto Rico.

Industry Committee No. 48–B is composed of the following representatives:

For the public: Paul H. Sanders, Chairman, Nashville, Tenn.; George J. Mintzer, New York, N.Y.; David M. Helfeld, Rio Piedras, P.R.

For the employees: Harry Frumerman, New York, N.Y.; Osiris R. Sanchez-Vazquez, San Juan, P.R.; Henry Schwartz, New York, N.Y.

For the employers: Joseph L. Dubow, New York, N.Y.; Maria Luisa Arcelay, Mayaguez, P.R.; Donald J. Garcia, Sabana Grande, P.R.

For the purpose of this order the Handkerchief, Square Scarf, and Art Linen Industry in Puerto Rico is defined as follows:

The manufacture of plain, scalloped, or ornamented handkerchiefs and square scarves; the manufacture of art linens, including, but not by way of limitation, table cloths, luncheon cloths, altar cloths, napkins, bridge sets, table covers, sheets, pillow cases, and towels; and the manufacture of needlepoint on canvas or other materials: *Provided, however,* That the industry shall not include the outlining or embroidery of lace by machine or the embroidery of any article or trimming by a crochet beading process or with bullion thread.

Industry Committee No. 48–C is composed of the following representatives:

For the public: Paul H. Sanders, Chairman, Nashville, Tenn.; George J. Mintzer, New York, N.Y.; David M. Helfeld, Rio Piedras, P.R.

For the employees: Henry Schwartz, New York, N.Y.; Alberto E. Sanchez, Santurce, P.R.; Jacob S. Sheinkman, New York, N.Y.

For the employers: Joseph L. Dubow, New York, N.Y.; Ruben D. Nazario-Fournier, Yauco, P.R.; Herbert L. Rose, Santurce, P.R.

For the purpose of this order the Women's and Children's Underwear and Women's Blouse and Neckwear Industry in Puerto Rico in defined as follows:

The knitting, or manufacture from woven or knit fabric, of women's, misses', girls', boys' size 6X and under, and infants' underwear and nightwear, including but not by way of limitation, slips, petticoats, nightgowns, negligees, panties, undershirts, briefs, shorts, pajamas, sleepers, and similar articles; and the manufacture of women's and misses' blouses, shirts, waists, neckwear (including collar and cuff sets), and scarves (except square scarves): *Provided, however,* That the industry shall not include any product or activity included in the Corsets, Brassieres, and Allied Garments Industry in Puerto Rico (29 CFR Part 614); or the outlining or embroidery of lace by machine, or the embroidery of any article or trimming by a crochet beading process or with bullion thread.

Industry Committee No. 48–D is composed of the following representatives:

For the public: Paul H. Sanders, Chairman, Nashville, Tenn.; George J. Mintzer, New York, N.Y.; David M. Helfeld, Rio Piedras, P.R.

For the employees: Alberto E. Sanchez, Santurce, P.R.; Jacob S. Sheinkman, New York, N.Y.; Joseph Schwartz, Philadelphia, Pa.

For the employers: Joseph L. Dubow, New York, N.Y.; Leonard M. Tuttman, Bayamon, P.R.; Maxwell Feller, Manati, P.R.

For the purpose of this order the Children's Dress and Related Products Industry in Puerto Rico is defined as follows:

The manufacture from woven or knit fabric or from waterproof materials of the following garments: Dresses, blouses, shirts, and similar garments for girls; shirts and blouses for boys, size 6X and under; dresses, creepers, rompers, waterproof pants, diaper covers, bibs, sportswear, and play apparel for infants three years of age or under; and clothing and accessories for dolls: *Provided, however,* That the industry shall not include products manufactured by heat sealing, cementing, vulcanizing, or any operation similar thereto; or the outlining or embroidery of lace by machine, or the embroidery of any article or trimming by a crochet beading process or with bullion thread.

Industry Committee No. 48–E is composed of the following representatives:

For the public: Paul H. Sanders, Chairman, Nashville, Tenn.; George J. Mintzer, New York, N.Y.; David M. Helfeld, Rio Piedras, P.R.

For the employees: Alberto E. Sanchez, Santurce, P.R.; Jacob S. Sheinkman, New York, N.Y.; Joseph Schwartz, Philadelphia, Pa.

For the employers: Joseph L. Dubow, New York, N.Y.; George Vargish, Toa Alta, P.R.; Oscar Castro-Rivera, San Juan, P.R.

For the purpose of this order the Sweater and Knit Swimwear Industry in Puerto Rico is defined as follows:

The manufacture of men's, women's, misses', boys', and girls' knit sweaters, shrugs, shoulderettes, boleros, and similar knitwear, and women's, misses', and girls' knit swimwear: *Provided, however,* That the industry shall not include the embroidery of any article or trimming by a crochet beading process or with bullion thread.

I hereby refer to each of the above named industry committees the question of the minimum wage rate or rates to be fixed under the provisions of section 6(c) of the Act in the particular indus-

try with which it is concerned. Each industry committee shall investigate conditions in its industry, and the committee, or any authorized sub-committee thereof, shall hear such witnesses and receive such evidence as may be necessary or appropriate to enable the committee to perform its duties and functions under the Act.

Industry Committee No. 48–A shall convene at 10:00 a.m. on July 11, 1960, in the offices of the Wage and Hour Division, United States Department of Labor, New York Department Store Building, Fortaleza and San Jose Streets, San Juan, Puerto Rico, to conduct its investigation and shall commence its hearings at 2:00 p.m. on the same date at the same place. Following this hearing, Industry Committees Nos. 48–B, 48–C, 48–D, and 48–E shall convene consecutively in the same place in that order at hours designated by the committee chairman to conduct their investigations and to hold their hearings.

In order to reach as rapidly as is economically feasible the objective of the minimum wage prescribed in paragraph (1) of section 6(a) of the Act, each industry committee shall recommend to the Administrator the highest minimum wage rate or rates for the industry which it determines, having due regard to economic and competitive conditions, will not substantially curtail employment in the industry, and will not give any industry in Puerto Rico a competitive advantage over any industry in the United States outside of Puerto Rico, the Virgin Islands, and American Samoa. Where an industry committee finds that a higher minimum wage may be determined for employees engaged in certain activities or in the manufacture of certain products in the industry, the industry committee shall recommend such reasonable classifications within the industry as it determines to be necessary for the purpose of fixing for each classification the highest minimum wage rate that can be determined for it under the principles set forth herein which will not substantially curtail employment in such classifications and will not give a competitive advantage to any group in the industry. No classification shall be made, however, and no minimum wage shall be fixed solely on a regional basis or on the basis of age or sex. In determining whether there should be classifications within the industry, in making such classifications, and in determining the minimum wage rates for such classifications, the committee shall consider, among other relevant factors, the following: (1) competitive conditions as affected by transportation, living, and production costs; (2) the wages established for work of like or comparable character by collective labor agreements negotiated between employers and employees by representatives of their own choosing; and (3) the wages paid for work of like or comparable character by employers who voluntarily maintain minimum wage standards in the industry.

The Administrator shall prepare an economic report for such committees containing such data as he is able to assemble pertinent to the matters referred to those committees. Copies of each such report may be obtained at the national and Puerto Rican offices of the United States Department of Labor as soon as they are completed and prior to the hearings. Each committee will take official notice of the facts stated in the economic report to the extent they are not refuted at the hearings.

The procedure of these industry committees will be governed by Part 511 of Title 29, Code of Federal Regulations. As a prerequisite to participation as witnesses or parties these regulations require, among other things, that interested persons in the present matters shall file pre-hearing statements containing certain specified data, not later than July 1, 1960.

Signed at Washington, D.C., this 9th day of June 1960.

JAMES T. O'CONNELL,
Acting Secretary of Labor.

[F.R. Doc. 60–5400; Filed, June 13, 1960; 8:51 a.m.]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 26]

MIXED GRAIN

Official U.S. Standards

Pursuant to Section 4 of the Administrative Procedure Act (5 U.S.C. 1003) notice is hereby given that the United States Department of Agriculture has under consideration proposed changes in the Official Grain Standards of the United States for Mixed Grain (7 CFR 26.451–26.453) promulgated under the authority of the United States Grain Standards Act (39 Stat. 482), as amended (7 U.S.C. 71 et seq.).

On June 1, 1959, the Official Standards for Feed Oats and Mixed Feed Oats were canceled, and on August 1, 1959, the Official Grain Standards for Mixed Grain were revised. The revised Mixed Grain Standards provided that wild oats and certain mixtures of cultivated and wild oats should be graded as Mixed Grain.

The Minneapolis Grain Exchange has found that for trading purposes there is still a need for the grade designation "Mixed Feed Oats" to apply to grain which consists of wild oats and certain mixtures of cultivated and wild oats, and they have requested that consideration be given to establishing such grades under the Mixed Grain Standards. It is therefore proposed to revise the Mixed Grain Standards to provide grades for No. 1 Mixed Feed Oats and No. 2 Mixed Feed Oats.

It is proposed that consideration be given to revising the Official Grain Standards of the United States for Mixed Grain to read essentially as follows:

§ 26.451 Terms defined.

For the purposes of the Official Grain Standards of the United States for Mixed Grain:

(a) *Mixed grain.* Mixed grain shall be any mixture of grains for which standards have been established under the United States Grain Standards Act, or any mixture of such grains and wild oats, or wild oats, providing that any of the mixtures do not come within the requirements of any of the standards for such grains, and that any of the mixtures or wild oats do not contain more than 50 percent of foreign material.

(b) *Grades.* Grades shall be "Mixed Grain," "No. 1 Mixed Feed Oats," "No. 2 Mixed Feed Oats," "Sample grade Mixed grain," and special grades provided for in § 26.453.

(c) *Wild oats.* Wild oats shall be the seeds of Avena Fatua and A. sterilis.

(d) *Cultivated oats.* Cultivated oats shall be the seeds of Avena sativa and A. byzantina.

(e) *Mixed feed oats.* Mixed feed oats shall be any Mixed Grain which contains not less than 75 percent of wild oats, or not less than 75 percent of wild oats and cultivated oats in combination, which combination shall include more than 25 percent of wild oats; and which contains not more than 7.0 percent of foreign material, not more than 15.0 percent of damaged kernels, and not more than 3.0 percent of heat-damaged kernels; and which has a test weight per bushel of not less than 29 pounds.

(f) *Foreign material.* Foreign material shall be all matter except wild oats and grains for which standards have been established under the United States Grain Standards Act.

(g) *Damaged kernels.* Damaged kernels shall be all kernels and pieces of kernels of wild oats and grains for which standards have been established under the United State Grain Standards Act, which are heat damaged, sprouted, frosted, badly ground damaged, badly weather damaged, moldy, diseased, or otherwise materially damaged.

(h) *Heat-damaged kernels.* Heat-damaged kernels shall be kernels and pieces of kernels of wild oats and grains for which standards have been established under the United States Grain Standards Act, which have been materially discolored and damaged by heat.

(i) *Stones.* Stones shall be concreted earthy or mineral matter and other substances of similar hardness that do not disintegrate readily in water.

§ 26.452 Principles governing application of standards.

The following principles shall apply in the determination of the grades for mixed grain:

(a) *Basis of determination.* All determinations shall be on the basis of the grain as a whole.

(b) *Percentages.* All percentages shall be determined upon the basis of weight. The percentage of each kind of grain, including wild oats, and foreign material shall be stated in terms of whole percents.

(c) *Moisture.* Moisture shall be determined by the air-oven method prescribed by the United States Department of Agriculture as described in Service and Regulatory Announcements No. 147 (1959 revision) issued by the Agricultural Marketing Service for the kind of grain which predominates in the mix-

ture or determined by any method which gives equivalent results.

(d) *Test weight per bushel.* Test weight per bushel shall be the weight per Winchester bushel as determined by the method prescribed by the United States Department of Agriculture as described in Circular No. 921, issued June 1953, or as determined by any method which gives equivalent results.

§ 26.453 Grades, grade requirements, and grade designations.

The following grades, grade requirements, and grade designations are applicable under these standards:

(a) *Grades and grade requirements for Mixed Grain.* (See also paragraph (c) of this section.)

(1) *Mixed Grain (Grade).* The grade "Mixed Grain" shall be mixed grain with not more than 15.0 percent of damaged kernels, and not more than 3.0 percent of heat-damaged kernels, and which otherwise does not come within the specifications for No. 1 Mixed Feed Oats, No. 2 Mixed Feed Oats, or Sample grade Mixed Grain.

(2) *No. 1 Mixed Feed Oats.* The grade No. 1 Mixed Feed Oats shall be mixed grain which meets the requirements for mixed feed oats; which contains not more than 5.0 percent of foreign material, not more than 10.0 percent of damaged kernels, and not more than 2.0 percent of heat-damaged kernels; which has a test weight per bushel of not less than 32 pounds; and which otherwise does not come within the specifications for "Sample grade Mixed Grain," or "No. 2 Mixed Feed Oats."

(3) *No. 2 Mixed Feed Oats.* The grade No. 2 Mixed Feed Oats shall be mixed grain which meets the requirements for mixed feed oats; which contains not more than 7.0 percent of foreign material, not more than 15.0 percent of damaged kernels, and not more than 3.0 percent of heat-damaged kernels; which has a test weight per bushel of not less than 29 pounds; and which otherwise does not come within the specifications for "No. 1 Mixed Feed Oats" or "Sample grade Mixed Grain."

(4) *Sample grade Mixed Grain.* The grade "Sample grade Mixed Grain" shall be mixed grain which does not meet the requirements for the grades Mixed Grain, No. 1 Mixed Feed Oats, or No. 2 Mixed Feed Oats; or which contains more than 16.0 percent of moisture; or which contains stones; or which is musty, or sour, or heating; or which has any commercially objectionable foreign odor except of smut or garlic; or which is otherwise of distinctly low quality.

(b) *Grade designations for Mixed Grain.* The grade designation for mixed grain shall include the words "Mixed Grain," "No. 1 Mixed Feed Oats," "No. 2 Mixed Feed Oats," or "Sample grade Mixed Grain," as the case may be, and the name of each applicable special grade. In the case of "Mixed Grain (Grade)" and "Sample grade Mixed Grain" the grade designation shall also include the name and approximate percentage of each kind of grain, including wild oats, which constitutes 10 percent or more of the mixture, in the order of predominance and, when applicable, the words "other grains" followed by a statement of the percentage of the combined quantity of those kinds of grains, including wild oats, each of which is present in a quantity less than 10 percent; and the words "Foreign Material" together with a statement of the percentage thereof.

(c) *Special grades, special grade requirements and special grade designations for mixed grain*—(1) *Tough mixed grain*—(i) *Requirements.* Tough mixed grain shall be mixed grain which contains more than 14.0 percent but not more than 16.0 percent of moisture.

(ii) *Grade designation.* Tough mixed grain shall be graded according to the grade requirements of the standards applicable to such mixed grain if it were not tough, and there shall be added to and made a part of the grade designation the word "Tough."

(2) *Smutty mixed grain*—(i) *Requirements.* Smutty mixed grain shall be (*a*) mixed grain in which wheat or rye predominates, and which contains balls, portions of balls, or spores, of smut, in excess of a quantity equal to 14 balls of average size in 250 grams of mixed grain, or (*b*) any other mixed grain which has the kernels covered with smut spores, or which contains smut masses and/or smut balls in excess of 0.2 percent.

(ii) *Grade designation.* Smutty mixed grain shall be graded and designated according to the grade requirements of the standards applicable to such mixed grain if it were not smutty, and there shall be added to and made a part of the grade designation, the word "Smutty."

(3) *Ergoty mixed grain*—(i) *Requirements.* Ergoty mixed grain shall be mixed grain which contains ergot in excess of 0.3 percent.

(ii) *Grade designation.* Ergoty mixed grain shall be graded and designated according to the grade requirements of the standards applicable to such mixed grain if it were not ergoty, and there shall be added to and made a part of the grade designation, the word "Ergoty."

(4) *Garlicky mixed grain*—(i) *Requirements.* Garlicky mixed grain shall be (*a*) mixed grain in which wheat or rye predominates, and which contains 2 or more green garlic bulblets, or an equivalent quantity of dry or partly dry bulblets, in 1,000 grams of mixed grain; or (*b*) mixed grain in which grains other than wheat and rye predominate, and which contains 4 or more green garlic bulblets, or an equivalent quantity of dry or partly dry bulblets, in 500 grams of mixed grain.

(ii) *Grade designation.* Garlicky mixed grain shall be graded and designated according to the grade requirements of the standards applicable to such mixed grain if it were not garlicky, and there shall be added to and made a part of the grade designation, the word "Garlicky."

(5) *Weevily mixed grain*—(i) *Requirements.* Weevily mixed grain shall be mixed grain which is infested with live weevils or other insects injurious to stored grain.

(ii) *Grade designation.* Weevily mixed grain shall be graded and designated according to the grade requirements of the standards applicable to such mixed grain if it were not weavily, and there shall be added to and made a part of the grade designation, the word "Weevily."

(6) *Blighted mixed grain*—(i) *Requirements.* Blighted mixed grain shall be mixed grain in which barley predominates and which, as a whole, contains more than 4 percent of barley damaged or materially discolored by blight and/or mold.

(ii) *Grade designation.* Blighted mixed grain shall be graded and designated according to the grade requirements of the standards applicable to such mixed grain if it were not blighted, and there shall be added to and made a part of the grade designation, the word "Blighted."

(7) *Treated mixed grain*—(i) *Requirements.* Treated mixed grain shall be mixed grain which has been scoured, limed, washed, sulfured, or treated in such a manner that its true quality is not reflected by the grade "Mixed Grain," "No. 1 Mixed Feed Oats," "No. 2 Mixed Feed Oats," or "Sample grade Mixed Grain."

(ii) *Grade designation.* Treated mixed grain shall be graded and designated according to the grade requirements of the standards applicable to such mixed grain if it were not treated, and there shall be added to and made a part of the grade designation, a statement indicating the kind of treatment.

Public hearings will not be held on this proposal to revise the Official Grain Standards of the United States for Mixed Grain under the provisions of section 4 of the Administrative Procedure Act (5 U.S.C. 1003), but all persons who desire may submit written data, views, or arguments in connection with the aforesaid proposal to the Director, Grain Division, Agricultural Marketing Service, United States Department of Agriculture, Washington 25, D.C., to be received by him not later than July 15, 1960. All documents should be filed in duplicate. Consideration will be given to the written data, views, and arguments received by the Director and to other information available in the United States Department of Agriculture before a decision is made as to whether the proposed revision shall be promulgated.

Done at Washington, D.C., this 8th day of June 1960.

ROY W. LENNARTSON,
Deputy Administrator.

[F.R. Doc. 60-5371; Filed, June 13, 1960; 8:47 a.m.]

[7 CFR Part 973]

[Docket No. AO-178-A11]

MILK IN MINNEAPOLIS-ST. PAUL MARKETING AREA

Decision on Proposed Amendments to Tentative Marketing Agreement and to Order

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.),

and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held at Minneapolis, Minnesota, on March 3, 1960, pursuant to notice thereof issued on January 11, 1960 (25 F.R. 311) and an amended notice of hearing issued February 16, 1960 (25 F.R. 1491).

Upon the basis of the evidence introduced at the hearing and the record thereof, the Deputy Administrator, Agricultural Marketing Service, on May 17, 1960 (25 F.R. 4473) filed with the Hearing Clerk, United States Department of Agriculture, his recommended decision containing notice of the opportunity to file written exceptions thereto.

Preliminary statement. The hearing on the record of which the proposed amendments, as hereinafter set forth, to the tentative marketing agreement and to the order, were formulated, was conducted at Minneapolis, Minnesota, on March 3, 1960, pursuant to notice thereof which was issued January 11, 1960 (25 F.R. 311) and an amended notice of hearing issued February 16, 1960 (25 F.R. 1491).

The material issues on the record of the hearing relate to:

(1) Revision of pool plant delivery performance requirements;

(2) Modification of the stated differentials and "supply-demand" adjuster in the Class I price formula;

(3) Revision of the basic price formula and price formula for Class II milk;

(4) Revision of the price for "excess milk" under the base-excess payment plan;

(5) An increase in the maximum rate of assessment for marketing services to producers who are not members of a cooperative association;

(6) The classification of skim milk and butterfat in sour cream and similar products with various brand designations;

(7) Diversion of certain milk at the Class I price;

(8) Inclusion of a "Louisville plan" of adjusting producer payments seasonally;

(9) An increase in the maximum rate of administrative assessment; and

(10) Several changes of language for the purpose of clarification and improved workability of order provisions.

Findings and conclusions. The following findings and conclusions on the material issues are based on evidence presented at the hearing and the record thereof:

(1) The pool plant delivery performance requirements should be modified under certain conditions.

Significant changes have taken place in recent years in this market which have caused the Minneapolis-located plant of the largest cooperative in the market to become a supply "balancing," or reservoir, plant with a resulting decrease in function as a regular supply plant. Because of changes in consumer buying habits, five- and six-day bottling by handlers, and bulk tank delivery to the city from nearly all farms of producers, the maintenance of pool status for the cooperative's balance plant on a continuing basis has been made extremely difficult, although the need for such an operation as a means of servicing the market and for the economic handling of milk actually has increased.

At the present time only 29 percent of the bottled milk sold is delivered to homes. The remainder is purchased by consumers at various stores, dairy stores and supermarkets. As the result of the purchasing pattern which has developed, there are wide day-to-day variations in amounts bottled and delivered by handlers which have caused even wider variations to develop in the daily volumes of milk they require from the cooperative's city plant. For example, in a sample week of June 1955, a daily low of 865,000 pounds was delivered to other handlers from this plant, while on the high day for the same week the amount was 1,073,942 pounds, a variation from low to high day of 24 percent. In a week occurring in June 1959 the low day of deliveries to other plants indicated 594,337 pounds and the high day 1,386,495 pounds, or a variation from low to high day of 133 percent. The September 1955 low to high variation was 49 percent compared with a September 1959 variation of 190 percent. In this connection it may be noted that members of this cooperative furnish 75–80 percent of the total market supply of milk for fluid use.

Stated in another way, day-to-day variations in deliveries to other plants from this city plant result in a high-day delivery as much as 30 percent above the daily average quantity for the week, while the low-day delivery may be as much as 40 percent below such daily average. In 1955 the range of the high and low days were each within 10–12 percent of the daily average for the week.

When the bottling handler requires less direct-shipped milk it backs up into this plant for disposal as Class II milk, becoming a receipt of milk at such plant and increases the difficulty of pool plant qualification. The deliveries from such plant to bottling plants count toward pool plant delivery performance, but the plant receives no delivery performance credit for the portion of milk frequently handled at the plant which is direct-shipped from farm to bottling plants on other days of the week or month. Daily variations in receipts at the plant at times have exceeded 900 percent within the month. Without continuing pool status for this plant a large proportion of regular producers would be alternately in and out of the pool on individual days of the month.

Provision should be made, therefore, to enable this plant to receive delivery performance credit with respect to milk direct-shipped to various bottling plants in the city for which this type of plant performs a service operation. It is concluded that the provision proposed will tend to promote the efficient and orderly handling of milk.

(2) The Class I price formula should be revised.

Proposals were submitted which would modify both the supply-demand adjuster contained in the Class I price formula and the stated differentials.

The monthly ratios of supply to demand reflected in the standard, or "normal", percentages of the current supply-demand formula have prevailed in the order since early 1956, except for minor seasonal revisions made effective in September 1957. Such standard percentages were designed to encourage an adequate, but not burdensome, supply of milk, including a working reserve.

In the months of August, September, October and November 1959 Class I milk sales were 74.3, 86.0, 83.4, and 79.1 percent of producer receipts in each month, respectively. Although it was testified that in these months supplemental milk amounting to about 5 percent of total receipts was necessary to fulfill requirements on certain days of the week, only small quantities thereof were actually allocated to Class I milk on a monthly basis. (Official notice is taken of the published Statistical Summary of the market administrator for August–November 1959 which show the allocation of other source milk.)

The receipts and sales data indicate a reasonably good balance between the quantities of milk being supplied by producers and the Class I requirements of the market. Even though slightly higher percentages of producer milk receipts were utilized in Class I milk in the August–November 1959 period than in the same months of 1958, it may not be concluded that this market experienced a shortage of supply in the most recent low production season.

The present Class I formula provides for automatic price changes as shortages may develop and there is no indication in the record that such formula will not meet adequately and promptly any marked change in the supply situation. It is pertinent, perhaps, to point out in this connection that the statute requires the establishment of minimum prices at levels which will tend to equate supplies and sales. On both annual and monthly bases supplies are adequate to the need. It is reasonable to believe that adequate monthly supplies, particularly in a market where there is strong market organization of supplies, may be managed in a manner to fulfill the daily requirements of the market.

It is concluded, therefore, that the supply-demand adjuster should not be revised so as to increase the level of Class I price on the basis of the current supply-demand relationship. It was pointed out in the exceptions that the percentage norm (86) shown for the month of October in § 973.53 of the order contained in the recommended decision was inadvertently misstated. A correction has been made.

It is concluded elsewhere herein that the Class II price should be increased 10.2 cents. Since the Class II price is an alternate basic formula price, the basic formula price level could be affected by such modification and, in turn, affect the Class I price level unless the basic formula price provision is modified also. For the months of January, February, and March 1960 there would have been no impact on the level of the basic formula price resulting from the change in the Class II price formula, although in 1959 the revised formula would have

been the effective basic price formula in seven months. In view of the prior finding that the Class I price should not be increased on the basis of the current supply-demand relationship, the basic formula price provision has been revised to retain the alternative formulas currently in effect.

Another price proposal considered would narrow the seasonal variation in the stated Class I price differentials from 40 cents to 20 cents per hundredweight, but without effecting a significant change in their annual average. In the presence of the base-excess plan the degree of seasonal variation in Class I price differentials becomes less significant as a means of encouraging in improved seasonal pattern of deliveries. Certainly three changes in levels of differentials during the year are not necessary in conjunction with the base-excess plan. There was considerable support in the hearing for two changes in differentials per year, and we see no reason why such price pattern would not work satisfactorily in conjunction with other provisions. The provisions to implement such proposal are adopted to take effect December 1, 1960. In the exceptions it was contended that, on the record evidence, November should be included among the higher differential months. A revision to this effect has been made, with an offsetting adjustment in other months.

(3) The Class II price formula should be revised.

A producer organization proposed an increase of 10.2 cents in the Class II price by means of a reduction in the "make" allowance included in the so-called butter-nonfat dry milk solids formula.

Although cost rates for labor and some other items used in the manufacture of butter and nonfat dry milk solids have increased during recent years, larger-scale operations and increased efficiency of equipment have tended to reduce costs per hundredweight of milk processed. The change in type of container from barrels and drums to bags which has taken place in recent years has effected a cost reduction in packaging of about 7 cents per hundredweight. Individual unregulated plants in the milkshed engaged primarily in butter-nonfat dry milk solids operations paid prices for milk in 1959 up to 29 cents per hundredweight higher than the annual average Class II price. The prices at eight such plants averaged about 16 cents higher in such period. Even though a somewhat lower rate of efficiency may be expected in connection with the disposition of the reserve supplies of a fluid milk market through this type of outlet, the proposed reduction of 10.2 cents in make allowance (or increase in price of like amount) is reasonable and should be adopted.

(4) The level of price for "excess milk" should be reduced.

Under the present order the price for excess milk under the base-excess plan is computed by the addition of 8 cents to the price per hundredweight for Class II milk.

Since practically all milk produced in excess of base in the base-operating months must be disposed of in manufacturing uses, it is concluded that the revised Class II price is an appropriate price for excess milk. Because of the Class II price revision which increases such price, as discussed earlier in this decision, there would be no decrease in actual return to the producer for excess milk as compared with present pricing. In fact, the actual price for excess milk would be slightly higher than under the present basis of pricing.

(5) The maximum rate of assessment for marketing services to producers who are not members of a cooperative association should be increased.

The present maximum rate of assessment for marketing services applicable to non-member milk is 2 cents per hundredweight. Income accruing on the basis of such rate has been insufficient to meet costs of check-weighing and check-testing and the dissemination of market information. A deficit in the marketing services fund was incurred in 1959 and based on latest available costs of testing, a significantly higher maximum rate will be required if such services are to be provided on any reasonable basis. At December 31, 1959, the balance in the fund amounted to only $48.87. Obviously, however, there are practical limitations which are involved, as well as service cost, in setting a maximum rate of assessment.

In the circumstances, it is concluded that the maximum rate of assessment should be increased from 2 to 6 cents per hundredweight of milk.

(6) Sour cream products, such as "Smetana", should be classified as Class I milk.

Sour cream is classified as Class I milk under the present order. Another product similar in form and consistency which is distributed under the name "Smetana" is classified as Class II milk on the basis of an order interpretation. The latter product, however, is so similar as to form, texture, composition, packaging, grade of milk required for processing, and purpose that no practical distinction in pricing under the regulation should be made. This or any similar product required to be made from Grade A milk to be sold in the marketing area should be included in Class I milk, together with sour cream, in order that producers will receive a price commensurate with the costs involved in producing the Grade A milk so used. It was argued in the exceptions that the findings of this paragraph might apply inadvertently to the classification of cottage cheese. There is no intention here to reclassify cottage cheese, which remains a Class II milk product.

(7) Provision should be made to include as pooled milk certain milk disposed of to nonpool plants for fluid disposition.

As previously indicated, the largest cooperative in the market furnishes producer milk to a number of handlers. It also supplies, at the Class I price f.o.b. marketing area, milk for bottling at five relatively small nonpool fluid milk distribution plants located in communities adjacent to the present marketing area. Operators of such nonpool plants do not distribute significant quantities of milk within the marketing area. They rely, however, on pool plants as outlets for the reserve supplies associated with their fluid milk operations. It is customary for the cooperative to deliver milk to such plants from the farm in bulk tanks, but assignment of specific producers to such plants is complicated by the fact that the milk involved is commingled in bulk tanks with other milk customarily delivered directly from farms to pool plants. On any given day of the month the milk of a particular dairy farmer may be received at one of these nearby nonpool fluid milk plants and on another day at a pool plant for disposition in manufacturing uses. The milk of 20–30 dairy farmers is subject to handling in this manner.

In the interest of orderly marketing and to simplify pricing and payment with respect to member milk, the cooperative marketing the milk has proposed that the order provide for the continuous pooling of milk assigned to the nonpool fluid milk plants which, in fact, may be "in and out" of a pool plant on more than one occasion during the month. It is pertinent that such milk would be subject to compensatory payment if not eligible for pooling but yet allocated to Class I in a pool plant.

Provision for the inclusion of such milk in the pool would place the dairy farmers involved, who obviously are intimately associated with the market, on the same uniform price basis as other producers and thus tend to promote orderly marketing. The pooled value of milk would be enhanced since the bulk of the milk concerned is utilized as Class I milk. It is concluded that the proposal should be adopted.

(8) A "Louisville plan" for distributing proceeds to producers should not be adopted.

A proposal was made to adjust producer prices seasonally by deducting a portion of monies accruing from Class I sales in the spring months and adding back such monies in four installments in the fall months.

The net effect of the proposal in terms of dollars payable to producers for Class I milk is a seasonality of Class I returns not substantially different from that which results from the present Class I price differentials. The proposal would provide a somewhat higher return from Class I milk in December, January and February and a somewhat lower return in November. In other months there would be no substantial change from the present order. However, in view of the findings previously made in this decision in connection with the Class I price differentials (which, it may be noted, would increase the differential by 10 cents in December, January and February), the supply-demand adjuster and the base-excess plan, it is concluded that adoption of the proposed Louisville plan would serve no purpose additional to the objectives of the other provisions working in combination and might be adverse to the proposed changes in such other provisions. Therefore, such plan should not be adopted at this time.

(9) The maximum rate of administrative assessment should be revised.

The maximum rate of administrative assessment is 1.5 cents per hundred-

weight of milk. The monies accruing to cover the administrative expense of order operation will not be sufficient, at such assessment rate, to meet monthly requirements and to maintain a reasonable reserve for contingencies over any substantial period of time. To provide sufficient funds for full enforcement of the order and to meet possible cost increases in order operations, it is concluded that the maximum assessment rate should be increased to 3.0 cents per hundredweight of milk. It is not expected, however, that more than a partial increase from the present rate will be required for administrative expenses in the immediate future.

(10) Certain changes in order language should be made for administrative purposes.

Several of the proposals heard were designed to clarify order language or to facilitate order administration. Among these were proposals to revise the dates on which handler reports are filed, the uniform prices are announced and producer payments are made. It was complained that the time periods allowed for compliance with such order requirements are not sufficient and that compliance therefore is made difficult from a purely mechanical standpoint. The producer organization marketing the bulk of the milk offered the proposals and there was no controversy. It is concluded that they should be adopted to ease this compliance problem.

Another producer proposal would revise the provision for computing on a skim milk equivalent basis the volume of nonfat dry milk solids or condensed skim milk used for fortification and reconstitution in fluid form to those instances when the resulting product is disposed of by a handler. This change thus would permit the disposition of nonfat solids to nonpool plants on an actual weight basis, facilitating such sales of dry solids from producer milk. Since the classification and pricing of milk disposed of in the marketing area is adequately protected through other order provisions, it is feasible to change the regulation in this respect. It is concluded that the proposal should be adopted.

Other minor changes of language of a self-explanatory nature have been made solely for clarification of certain provisions of the order.

Rulings on proposed findings and conclusions. Briefs and proposed findings and conclusions were filed on behalf of certain interested parties in the market. These briefs, proposed findings and conclusions and the evidence in the record were considered in making the findings and conclusions set forth above. To the extent that the suggested findings and conclusions filed by interested parties are inconsistent with the findings and conclusions set forth herein, the requests to make such findings or reach such conclusions are denied for the reasons previously stated in this decision.

General findings. The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) The tentative marketing agreement and the order, as hereby proposed to be amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(b) The parity prices of milk as determined pursuant to section 2 of the Act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the marketing area, and the minimum prices specified in the proposed marketing agreement and the order, as hereby proposed to be amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The tentative marketing agreement and the order, as hereby proposed to be amended, will regulate the handling of milk in the same manner as, and will be applicable only to persons in the respective classes of industrial and commercial activity specified in, a marketing agreement upon which a hearing has been held.

Rulings on exceptions. In arriving at the findings and conclusions, and the regulatory provisions of this decision, each of the exceptions received was carefully and fully considered in conjunction with the record evidence pertaining thereto. To the extent that the findings and conclusions and the regulatory provisions of this decision are at variance with any of the exceptions, such exceptions are hereby overruled for the reasons previously stated in this decision.

Marketing agreement and order. Annexed hereto and made a part hereof are two documents entitled respectively, "Marketing Agreement Regulating the Handling of Milk in the Minneapolis-St. Paul Marketing Area", and "Order Amending the Order Regulating the Handling of Milk in the Minneapolis-St. Paul Marketing Area", which have been decided upon as the detailed and appropriate means of effectuating the foregoing conclusions.

It is hereby ordered, That all of this decision, except the attached marketing agreement, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreement are identical with those contained in the order as hereby proposed to be amended by the attached order which will be published with this decision.

Determination of representative period. The month of April 1960 is hereby determined to be the representative period for the purpose of ascertaining whether the issuance of the attached order amending the order regulating the handling of milk in the Minneapolis-St. Paul marketing area, is approved or favored by producers, as defined under the terms of the order as hereby proposed to be amended who, during such representative period, were engaged in the production of milk for sale within the aforesaid marketing area.

Issued at Washington, D.C., this 9th day of June 1960.

CLARENCE L. MILLER,
Assistant Secretary.

Order [1] Amending the Order Regulating the Handling of Milk in the Minneapolis-St. Paul Marketing Area

§ 973.0 Findings and determinations.

The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the Minneapolis-St. Paul marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order as hereby amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(2) The parity prices of milk, as determined pursuant to section 2 of the Act, are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the order as hereby amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest;

(3) The said order as hereby amended, regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial or commercial activity specified in, a marketing agreement upon which a hearing has been held.

(4) It is hereby found that the necessary expense of the market administrator for the maintenance and functioning of such agency will require the payment by each handler, as his pro rata share of such expense, 3 cents per hundredweight or such amount not to exceed 3 cents per hundredweight as the Secretary may prescribe, with respect to producer milk (including such han-

[1] This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders have been met.

dler's own farm production) and to other source milk which is classified as Class I milk.

Order relative to handling. It is therefore ordered that on and after the effective date hereof, the handling of milk in the Minneapolis-St. Paul marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as hereby amended, and the aforesaid order is hereby amended as follows:

§ 973.9 [Amendment]

1. Delete § 973.9(b) in its entirety and substitute therefor the following:

(b) (1) Except as provided in subparagraph (2) of this paragraph, any plant from which during any month 50 percent or more of such plant's total receipts for such month from farms of skim milk or butterfat eligible for sale in fluid form as Grade A milk within the marketing area is delivered to (i) a plant(s) which has qualified pursuant to paragraph (a) of this section, (ii) any other plant(s) located within the marketing area from which Class I milk is disposed of within the marketing area on a route(s), or (iii) a governmentally-owned and operated institution which disposes of Class I milk solely for use on its own premises or to its own facilities: *Provided,* That if during each of the months of July, August, September and October 50 percent or more of such plant's receipts of skim milk or butterfat for such month as described above is delivered as provided in this paragraph, it shall be a pool plant through the following June: *And provided further,* That if not less than 30 percent of the total member producer milk of a cooperative association is delivered during each of the months of July, August, September and October as direct-shipped milk to a plant(s) described in paragraph (a) of this section located within the city limits of either Minneapolis or St. Paul, then any deliveries of milk by such cooperative association directly to such plant(s) may be considered, for the purposes of this paragraph, as having been received first at a plant of such cooperative association also located within the city limits of Minneapolis or St. Paul.

(2) Producer milk which was received on more than 45 days during the months of April, May and June at a pool plant qualified under this paragraph, which milk is caused to be delivered from farms to a pool plant(s) described in paragraph (a) of this section during any of the months of July, August, September and October shall be considered for the purposes of this paragraph as having been shipped from thence to the plant(s) described in paragraph (a) of this section: *Provided,* That the producers of such milk are listed on the payroll reports (of the respective plants) submitted pursuant to § 973.32 and appropriately noted on the reports of receipts and utilization submitted pursuant to § 973.30.

2. Delete § 973.11 in its entirety and substitute therefor the following:

§ 973.11 Producer.

"Producer" means any person, except a producer-handler, who produces milk eligible for sale in fluid form as Grade A milk within the marketing area which is either (a) received from the farm at a pool plant, or (b) moved in accordance with the conditions of § 973.44(c) (2) but allotted to a pool plant by listing on the payroll report of such plant pursuant to § 973.32, which milk shall be deemed to be received at such pool plant: *Provided,* That any such person whose milk is received from the farm at a pool plant during any portion of the period July through October, inclusive, but subsequently in such four-month period is received at a nonpool plant (except as provided above in this paragraph) shall not regain status as a producer prior to the next July 1.

§ 973.22 [Amendment]

3. In § 973.22(h) delete "13th" and substitute therefor "15th".

§ 973.30 [Amendment]

4. In § 973.30(a) delete "8th" and substitute therefor "10th".

5. In § 973.30(b) delete "8th" and substitute therefor "10th".

§ 973.41 [Amendment]

6. In the third parenthetical phrase in § 973.41(a) insert after the words "sweet or sour, including" the words " 'Smetana' and similar sour cream products and".

§ 973.44 [Amendment]

7. Delete from that portion of § 973.44 preceding paragraph (a) therein the word "transferred" and substitute therefor the word "moved".

8. Delete from § 973.44(b) the cross-reference "paragraph (c) (2) and (3) of this section" and substitute therefor the cross-reference "paragraph (c) (2), (3) and (4) of this section."

9. Delete § 973.44(c) and substitute therefor the following:

(c) As Class I milk if moved to a nonpool plant under any of the following circumstances: (1) by transfer in consumer packages; (2) by a cooperative association directly from the farm of the producer, and the noonpool plant is one from which milk is disposed of in fluid form on routes; (3) by transfer in bulk as any item of § 973.41(a), except cream, and the nonpool plant is located more than 100 miles from the Minnesota Transfer Viaduct over University Avenue in St. Paul, Minnesota; or (4) by transfer in bulk as cream and the nonpool plant is located as described in subparagraph (3) of this paragraph and is a plant from which milk is disposed of in fluid form on routes: *Provided,* That this subparagraph shall not apply in the case of cream transferred in bulk to any plant subject to another marketing agreement or order issued pursuant to the act, if such cream is allocated thereunder in the transferee-plant to a class of utilization other than Class I milk as defined in such other marketing agreement or order.

§ 973.45 [Amendment]

10. Add in the proviso of § 973.45 after the word "disposition" the words "by a handler".

11a. Delete that portion of § 973.51 preceding paragraph (a) therein and sustitute therefor the following:

§ 973.51 Basic formula price.

The basic formula price per hundredweight to be used in determining the Class I price shall be the highest of the prices computed pursuant to paragraphs (a), (b), and (c) of this section:

b. Add the words "per hundredweight" after the phrase "(or field) prices" in § 973.51(a).

c. Add the following as § 973.51(c):

(c) (1) Multiply by 4.24 the simple average of the daily wholesale selling prices per pound (using the midpoint of any price range as one price) of Grade AA (93-score) bulk creamery butter at New York, as reported by the Department of Agriculture during the preceding month; (2) multiply by 8.2 the weighted average of carlot prices for spray process nonfat dry milk, for human consumption f.o.b. manufacturing plants in the Chicago area, as published by the Department of Agriculture for the period from the 26th day of the second preceding month through the 25th day of the preceding month; (3) add into one sum the amounts obtained in subparagraphs (1) and (2) of this paragraph; and (4) subtract 75.2 cents therefrom.

12. Delete § 973.53 in its entirety and substitute therefor the following:

§ 973.53 Class I price.

Subject to the differentials provided in §§ 973.55 and 973.56(a), the price per hundredweight for Class I milk each month shall be the basic formula price computed pursuant to § 973.51 plus an amount as follows: $1.00 for July, August, September, October, and November; and $.76 for other months: *Provided,* That prior to December 1, 1960, the following shall be added to the basic formula price in lieu of the above amounts: 70 cents for each month until July; $1.10 for July, August, September, and October; and $1.00 for November: *And provided further,* That whenever the current supply-demand ratio varies from that set forth in the table below, the Class I price shall be increased or decreased 1.5 cents for each full percentage point that the current supply-demand ratio is above or below that set forth in the table, but such price shall not be increased or decreased more than 24 cents for any month because of the current supply-demand ratio:

Month to which applicable	Standard percentages	Months used in computing current supply-demand ratio
January	88	October–November.
February	82	November–December.
March	78	December–January.
April	73	January–February.
May	71	February–March.
June	70	March–April.
July	68	April–May.
August	66	May–June.
September	70	June–July.
October	82	July–August.
November	88	August–September.
December	88	September–October.

§ 973.54 [Amendment]

13. In § 973.54 delete the phrase "price for Class II milk" and substitute therefor

the phrase "price per hundredweight for Class II milk."

14. Delete from § 973.54 the figure "75.2" and substitute therefor the figure "65".

§ 973.72 [Amendment]

15. Delete from § 973.72(b) the phrase "plus 8 cents".

§ 973.73 [Amendment]

16. In § 973.73 delete "13th" and substitute therefor "15th".

§ 973.77 [Amendment]

17. In § 973.77(d) delete the words "producer" and "producer's" and substitute therefor the words "person" and "person's", respectively.

18. In § 973.77(e) delete the word "producer" wherever it appears and substitute therefor the word "person".

§ 973.80 [Amendment]

19. In § 973.80(a) delete "10th" and substitute therefor "11th".

§ 973.90 [Amendment]

20. In § 973.90 delete the figure "1.5" wherever it appears and substitute therefor the figure "3".

§ 973.91 [Amendment]

21. In § 973.91(a) delete the figure "2" and substitute therefor the figure "6".

[F.R. Doc. 60-5372; Filed, June 13, 1960; 8:47 a.m.]

[7 CFR Part 1011]

[Docket No. AO-299-A1]

MILK IN MICHIGAN UPPER PENINSULA MARKETING AREA

Decision on Proposed Amendments to Tentative Marketing Agreement and to Order

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held at Marinette, Wisconsin, on March 7-9, 1960, pursuant to notice thereof issued on February 17, 1960 (25 F.R. 1521).

Upon the basis of the evidence introduced at the hearing and the record thereof, the Deputy Administrator, Agricultural Marketing Service, on May 20, 1960 (25 F.R. 4590), filed with the Hearing Clerk, United States Department of Agriculture, his recommended decision containing notice of the opportunity to file written exceptions thereto.

At this hearing, evidence was received with respect to proposed amendments to the order regulating the handling of milk in the Northeastern Wisconsin marketing area as well as the Michigan Upper Peninsula marketing area. This decision will be restricted to issues relating to amendments proposed to the order for the Michigan Upper Peninsula marketing area. Issues relating to amendments proposed to the order for the Northeastern Wisconsin marketing area will be considered in a separate decision.

With respect to the Michigan Upper Peninsula order the issues on the record of hearing relate to:

1. Expansion of the marketing area;
2. The Class I milk price;
3. Pooling; and
4. Allocation of receipts of milk in packaged form priced under another order.

Findings and conclusions. The following findings and conclusions on the material issues are based on evidence presented at the hearing and the record thereof:

1. *Marketing area.* Menominee County, Michigan, and the town of Peshtigo and the cities of Marinette and Peshtigo in Marinette County, Wisconsin, should be added to the Michigan Upper Peninsula marketing area.

The Michigan Upper Peninsula marketing area presently includes all territory in the upper peninsula of Michigan except Menominee County together with certain territory in Marinette, Florence and Iron Counties, Wisconsin. The city of Menominee, in Menominee County, is the only area in Michigan included in the marketing area of the Northeastern Wisconsin order. The nearby cities of Menominee and Peshtigo and the town (township) of Peshtigo in Marinette County, Wisconsin, likewise are included in the Northeastern Wisconsin marketing area.

The notice of hearing contained proposals to (1) delete the city of Menominee from the Northeastern Wisconsin marketing area and to add all of Menominee County to the Michigan Upper Peninsula marketing area, and (2) to include all of Menominee County, Michigan, and Marinette County, Wisconsin, in the Northeastern Wisconsin marketing area.

At the hearing the proponent of the proposal to expand the Northeastern Wisconsin marketing area to include all of Menominee and Marinette Counties offered no evidence in support of this proposal. It is clear that the cities of Menominee, Marinette and Peshtigo should be included in the same marketing area. Two plants in Menominee and one in Marinette each sell throughout these cities. Another plant that previously processed milk in Marinette has discontinued receiving and processing milk, but distributes milk regulated under the Northeastern Wisconsin order that is received and processed at a plant in Algoma, Wisconsin. Milk is also distributed in Menominee, Marinette and Peshtigo by at least two other handlers regulated under the Northeastern Wisconsin order and by one Milwaukee handler. The Menominee plants each have sales in the present Upper Peninsula marketing area. One small handler presently confines his distribution to portions of Menominee County outside the city limits of Menominee and would be brought under regulation by the proposal to include the entire county in a regulated area.

The three plants located in Menominee and Marinette are the only plants whose regulation would be changed from the Northeastern Wisconsin order to the Michigan Upper Peninsula order if these cities were transferred from one marketing area to another. Forty-two producers supply these plants, thirty-one with farms located in Michigan supply the two Menominee plants and eleven whose farms are in Wisconsin deliver to the Marinette plant. A producer organization representing a number of these Michigan producers supported the proposed transfer of area from Order No. 116 to Order No. 111 on the basis that the economic interests of these producers are more nearly allied with other producers in Michigan than those in Wisconsin and that under the handler pooling provisions of Order No. 111 they would receive better blend prices. Producers supplying one Menominee handler and the Marinette handler would have averaged higher prices on the basis of such handlers' utilizations but the producers supplying the third handler would have averaged lower prices. Substantially all the producers who are members of the cooperative association deliver to this third handler.

Despite the lack of specific proposals that any Wisconsin territory be changed to Order No. 111, affected parties appeared and offered testimony. The position of Menominee and Marinette dealers was that the local area should be considered a single unit regardless of the order to be effective for such area. No objection on the basis of lack of notice was offered to testimony that the cities of Marinette and Peshtigo should be included in the marketing area of Order No. 111 together with Menominee County, Michigan. While the average Class I utilization of the plants presently regulated under Order No. 116 is slightly higher than the average of that market, the volume is such that the resulting effect on the average blend price of the order is not significant. Northeastern Wisconsin producers offered no opposition to the proposed change in the regulation effective for the Menominee-Marinette area.

If present price alignments are maintained there appears to be no substantial economic reason why regulation under Order No. 111 should not apply to all this territory. In view of the expressed desire of the producers involved it is concluded that the area in Marinette and Menominee Counties now in the Order No. 116 marketing area should be included in the Order No. 111 marketing area and that the remaining portion of Menominee County should likewise be included in the Order No. 111 marketing area. In a companion decision it is concluded that the Order No. 116 marketing area should be revised to permit this change.

It was proposed that the territory added be included in Zone I of the marketing area for pricing purposes, which would have increased the Class I price at plants in the area affected. In view of geographic location the present alignment of prices with competing plants under both orders should be maintained. This can be achieved by providing a sub-Zone I(a) at a price ten cents less than that in the present Zone I of Order No.

111 to be applicable in the area presently in the Order No. 116 area and three nearby townships in Menominee County.

2. *Class I price.* The present Class I pricing provisions should be continued for another 18-month period, with provision for a sub-Zone I(a) price ten cents less than that for the present Zone I.

Since the effective date of the order Class I price differentials added to a basic formula price have been at an annual average of 96.7 cents for Zone I comprising five Michigan counties and the Wisconsin portion of the marketing area. For the remainder of the area the Class I price differentials have been 20 cents higher or an average of $1.167. These average differentials have resulted from monthly differentials of $0.75 (Zone I) and $0.95 (Zone II) for March through June; $1.15 and $1.35 July through November; and $0.95 and $1.15 December through February. The effectiveness of this pricing method was limited to the first 18 months of order operation to provide opportunity for review in the light of experience.

Producers proposed that these differentials each be increased 20 cents in all months. In support thereof they cited rising costs of production and emergency feed conditions that have prevailed during the past winter. They also claimed that premiums equal to or in excess of the increase requested have been in effect throughout major portions of the market without oversupplying the market.

Handlers proposed that the Class I price provisions for the entire area be those which have been in effect for Zone I, and that some means be provided to make the area price effective on sales by outside plants whether regulated by another order or not.

The order became effective for pricing purposes December 1, 1958. The record showed data with respect to receipts, sales and prices through January 1960. In order that comparisons with a year ago may be made for a three month period, official notice is taken of similar data released by the market administrator for February 1960. Producers receipts in the period December 1959 through February 1960 were 100.2 percent of those in the same months a year earlier. Class I sales of regulated plants in these months were 99.7 percent of those in the first three months of order operation. While monthly comparisons show somewhat greater variation, it is evident that there has been no substantial change in production or Class I sales during this period.

There is no substantial basis for reducing or eliminating the 20-cent price differential between zones. Producer receipts and Class I sales allocated to such receipts at Zone II plants have increased slightly in the past year while receipts and utilization of Zone I plants have decreased slightly. The price differential is needed to allocate supplies to the areas where needed for Class I use.

In a companion decision on this record it is concluded that no substantial change should be made at this time in the Class I pricing provisions of the order for the Northeastern Wisconsin area on the basis of this record. Substantial volumes of milk are distributed throughout the Michigan Upper Peninsula marketing area by handlers subject to that order. While the limited data available indicate that Class I sales of Order No. 111 handlers have been maintained during the past year at a time when premiums were being paid by many such handlers, this is not sufficient basis to increase at this time the difference between the required minimum prices of the two orders. There is no evidence that these differences are not appropriate to reflect costs of transporting milk in this area. Neither is there any basis to eliminate the difference with respect to Northeastern Wisconsin or other order milk disposed of in the Upper Peninsula area, as requested by handlers.

It is therefore concluded that price alignment between the orders should be maintained at present levels for an additional 18-month period by extension of the present pricing provisions with modification for a Zone I(a) price to apply in the town of Peshtigo and the cities of Peshtigo and Marinette in Marinette County, Wisconsin and the city of Menominee and townships of Menominee, Mellen and Ingallston in Menominee County, Michigan, at ten cents per hundredweight less than the Zone I price. The Zone I price will apply in the remainder of Menominee County.

3. *Pooling.* The type of pooling under the order should not be changed from the present handler pools to a marketwide pool. Neither should provision be made to permit allocation of Class I utilization from distribution plants to supply plants without movement of milk.

The operator of a plant which in several months has been regulated as a supply plant proposed that marketwide pooling be adopted. It was urged that the milk of the 27 producers supplying this plant is required for short season needs of the market but that handler pooling provides no Class I utilization to the plant in summer months.

The geographic distribution of production and population in the Upper Peninsula marketing area makes handler pooling more practicable and equitable than a marketwide pool. The bargaining-type cooperative association supplying the principal distribution plants of the area assures cooperating dealers a supply of milk. This association has four separate producer locals each of which supplies handlers in Sault Ste. Marie, Marquette, Ironwood and Menominee-Iron Mountain, respectively, and operates local association pools in three of these areas, but does not combine the local pools into an association pool. Other cooperative associations process and distribute milk of their members. Milk supplies cannot be readily moved from all producers' farms to plants in all parts of the marketing area. Packaged milk is, however, sold over wide areas by a number of plants.

No producer or cooperative associations supported the proposal for marketwide pooling, and opposition was expressed by the dominant bargaining cooperative and two plant-operating cooperatives. The proposal should not be adopted on the basis of this record.

The same handler also proposed, as an alternative to marketwide pooling, that the order provide that Class I utilization of a distribution plant could be allocated to a supply plant in the months of February through July in amounts commensurate with shipments received from such plant in the preceding months of August through November. Such a proposal might have applicability to a condition where a supply plant had been depended upon regularly to supply substantial short season volumes to a given plant or plants under long term arrangements. No such situation was shown here however. The shipments shown appear to be in the nature of spot shipments. This record does not justify inclusion of the "pass back" or "associate plant" provision proposed.

While the notice of hearing contained a proposal to define "associate producer" and provide means whereby persons so defined might share in Class I utilization of handlers who had discontinued receiving their milk, no evidence was offered in support of this proposal. Its adoption is therefore denied.

4. Provision should be made to deduct from a handler's Class I utilization receipts of fluid milk products processed and packaged in consumer packages priced under another Federal order if the handler does not process and package the item in his fluid milk plant during the month.

Some small handlers without paper packaging facilities in their plants distribute milk processed and packaged in paper cartons in a plant regulated under the Northeastern Wisconsin order. At the same time these Upper Peninsula handlers continue to process and package milk in glass containers. Under present provisions of the order producers delivering to the handler receive credit for all his Class I sales up to the volume of their deliveries. This results in the possibility that both Order No. 111 producers and Order No. 116 producers are paid the Class I price for the same sales.

In view of the extensive distribution of Order No. 116 milk through vendors who receive no milk from producers, there does not appear to be any equitable basis to require that under the circumstances described Class I sales be allocated to local producers if the product or package be one not produced in the regulated plant. Provision should be made to deduct from Class I disposition to be allocated to producers such receipts of fluid milk products disposed of in the original package.

Rulings on proposed findings and conclusions. Briefs and proposed findings and conclusions were filed on behalf of certain interested parties in the market. These briefs, proposed findings and conclusions and the evidence in the record were considered in making the findings and conclusions set forth above. To the extent that the suggested findings and conclusions filed by interested parties are inconsistent with the findings and conclusions set forth herein, the requests to make such findings or reach such conclusions are denied for the reasons previously stated in this decision.

General findings. The findings and determinations hereinafter set forth are

supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) The tentative marketing agreement and the order, as hereby proposed to be amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(b) The parity prices of milk as determined pursuant to section 2 of the Act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the marketing area, and the minimum prices specified in the proposed marketing agreement and the order, as hereby proposed to be amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The tentative marketing agreement and the order, as hereby proposed to be amended, will regulate the handling of milk in the same manner as, and will be applicable only to persons in the respective classes of industrial and commercial activity specified in, a marketing agreement upon which a hearing has been held.

Rulings on exceptions. In arriving at the findings and conclusions, and the regulatory provisions of this decision, each of the exceptions received was carefully and fully considered in conjunction with the record evidence pertaining thereto. To the extent that the findings and conclusions, and the regulatory provisions of this decision are at variance with any of the exceptions, such exceptions are hereby overruled for the reasons previously stated in this decision.

Marketing agreement and order. Annexed hereto and made a part hereof are two documents entitled respectively, "Marketing Agreement Regulating the Handling of Milk in the Michigan Upper Peninsula Marketing Area," and "Order Amending the Order Regulating the Handling of Milk in the Michigan Upper Peninsula Marketing Area," which have been decided upon as the detailed and appropriate means of effectuating the foregoing conclusions.

It is hereby ordered, That all of this decision, except the attached marketing agreement, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreement are identical with those contained in the order as hereby proposed to be amended by the attached order which will be published with this decision.

Referendum order; determination of representative period; and designation of referendum agent. It is hereby directed that a referendum be conducted to determine whether the issuance of the attached order amending the order regulating the handling of milk in the Michigan Upper Peninsula marketing area, is approved or favored by the producers, as defined under the terms of the order, as hereby proposed to be amended, and who, during the representative period, were engaged in the production of milk for sale within the aforesaid marketing area.

The month of April 1960 is hereby determined to be the representative period for the conduct of such referendum.

C. T. McCleery is hereby designated agent of the Secretary to conduct such referendum in accordance with the procedure for the conduct of referenda to determine producer approval of milk marketing orders (15 F.R. 5177), such referendum to be completed on or before the 30th day from the date this decision is issued.

Issued at Washington, D.C., this 9th day of June 1960.

CLARENCE L. MILLER,
Assistant Secretary.

Order [1] Amending the Order Regulating the Handling of Milk in the Michigan Upper Peninsula Marketing Area

§ 1011.0 Findings and determinations.

The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the Michigan Upper Peninsula marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order as hereby amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(2) The parity prices of milk, as determined pursuant to section 2 of the Act, are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the order as hereby amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest;

(3) The said order as hereby amended, regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial or commercial activity specified in, a marketing agreement upon which a hearing has been held.

(4) All milk and milk products handled by handlers, as defined in the order as hereby amended, are in the current of interstate commerce or directly burden, obstruct, or affect interstate commerce in milk or its products; and

(5) It is hereby found that the necessary expense of the market administrator for the maintenance and functioning of such agency will require the payment by each handler, as his pro rata share of such expense, 5 cents per hundredweight or such amount not to exceed 5 cents per hundredweight as the Secretary may prescribe, with respect to (i) all receipts within the month of milk from producers including milk of such handler's own production, and (ii) any other source milk allocated to Class I pursuant to § 1011.46(b) and the corresponding step of § 1011.47.

Order relative to handling. It is therefore ordered, that on and after the effective date hereof, the handling of milk in the Michigan Upper Peninsula marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as hereby amended, and the aforesaid order is hereby amended as follows:

1. Amend § 1011.5 to read as follows:

§ 1011.5 Michigan Upper Peninsula marketing area.

(a) "Michigan Upper Peninsula marketing area" (hereinafter referred to as the "marketing area") means all the territory including all municipal corporations within the zones described below in this section.

(b) "Zone 1(a)": The city of Menominee and the townships of Menominee, Mellen and Ingallston, in Menominee, County, Michigan; the town of Peshtigo and the cities of Marinette and Peshtigo in Marinette County, Wisconsin;

(c) "Zone 1": Counties of Delta, Dickinson, Gogebic, Iron, Ontonagon and all territory in Menominee County not included in Zone 1(a), all in the State of Michigan; the town of Niagara and the village of Niagara, in Marinette County; the towns of Aurora and Florence, in Florence County, and the towns of Carey, Kimball, Oma, Pence, Saxon and the cities of Hurley and Montreal in Iron County, all in the State of Wisconsin;

(d) "Zone 2": Counties of Alger, Baraga, Chippewa, Houghton, Keweenaw, Luce, Mackinac, Marquette and Schoolcraft, all in the State of Michigan.

§ 1011.46 [Amendment]

2. Amend § 1011.46(c) to read as follows:

(c) Subtract from the pounds of butterfat remaining in each class the pounds of butterfat in other source milk received during the month in the form of fluid milk products from a plant subject to another marketing agreement or order issued pursuant to the Act as follows:

(1) From Class I, the pounds of such butterfat received in a consumer-

[1] This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders have been met.

packaged form not so packaged in the plant during the month, and disposed of without further processing or packaging; and

(2) In series beginning with the lowest priced utilization, the remaining pounds of such butterfat;

3. Amend § 1011.51 to read as follows:

§ 1011.51 Class I milk price.

Through November 1961, subject to the provisions of § 1011.54, the minimum price to be paid by each handler for milk received at his fluid milk plant from producers or the fluid milk plant of a cooperative association during the month and utilized as Class I milk shall be the basic formula price for the preceding month, plus the applicable amounts specified below for the marketing area zone in which such plant is located. For plants located outside the marketing area and west of Lake Michigan the price (subject to § 1011.55) shall be that specified for Zone 1. For plants located outside the marketing area and east of Lake Michigan the price (subject to § 1011.55) shall be that specified for Zone 2.

Zone	Months of Mar. through June	Months of Jan., Feb., and Dec.	Months of July through Nov.
1(a)	$0.65	$0.85	$1.05
1	.75	.95	1.15
2	.95	1.15	1.35

[F.R. Doc. 60-5373; Filed, June 13, 1960; 8:47 a.m.]

FEDERAL AVIATION AGENCY

[14 CFR Part 601]

[Airspace Docket No. 60-AN-10]

CONTROL ZONES

Modification

Pursuant to the authority delegated to me by the Administrator (§ 409.13, 24 F.R. 3499), notice is hereby given that the Federal Aviation Agency is considering an amendment to Part 601 and § 601.1984 of the regulations of the Administrator, the substance of which is stated below.

The present Iliamna, Alaska, control zone is designated within a 5-mile radius of the Iliamna Airport. The Federal Aviation Agency has under consideration the modification of this control zone by designating a control zone extension 2 miles either side of the south course of the Iliamna radio range extending from the 5-mile radius zone to a point 12 miles south of the radio range. This modification would provide protection for aircraft conducting prescribed instrument approaches to the Iliamna Airport during instrument flight rule conditions.

If this action is taken, the Iliamna, Alaska, control zone would be designated within a 5-mile radius of the Iliamna Airport (latitude 59°45'08" N., longitude 154°54'38" W.), and within 2 miles either side of the south course of the Iliamna radio range extending from the 5-mile radius zone to a point 12 miles south of the radio range. The Iliamna, Alaska, control zone would then be designated in a new section in Part 601, and deleted from § 601.1984, *Five mile radius zones.*

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Chief, Air Traffic Management Field Division, Federal Aviation Agency, P.O. Box 440, Anchorage, Alaska. All communications received within forty-five days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Management Field Division Chief, or the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room B-316, 1711 New York Avenue NW., Washington 25, D.C. An informal Docket will also be available for examination at the office of the Regional Air Traffic Management Field Division Chief.

This amendment is proposed under sections 307(a) and 313(a) of the Federal Aviation Act of 1958 (72 Stat. 749, 752; 49 U.S.C. 1348, 1354).

Issued in Washington, D.C., on June 7, 1960.

CHARLES W. CARMODY,
Acting Director, Bureau of Air Traffic Management.

[F.R. Doc. 60-5355; Filed, June 13, 1960; 8:45 a.m.]

[14 CFR Part 601]

[Airspace Docket No. 60-FW-20]

CONTROL ZONES

Modification

Pursuant to the authority delegated to me by the Administrator (§ 409.13, 24 F.R. 3499), notice is hereby given that the Federal Aviation Agency is considering an amendment to § 601.2031 of the regulations of the Administrator, the substance of which is stated below.

The Houston, Tex., control zone is presently designated within a 10-mile radius of the Houston International Airport and within a 5-mile radius of Ellington Air Force Base. The Federal Aviation Agency is considering reducing the size of the Houston control zone by redesignating it within a 5-mile radius of Houston International Airport; within a 5-mile radius of Ellington AFB; within 2 miles either side of the southeast course of the Houston, Tex., radio range extending from the radio range to a point 12 miles southeast; within 2 miles either side of the 043° True bearing from the Pearland nondirectional radio beacon extending from the Ellington AFB 5-mile radius zone to the radio beacon. The modified control zone would provide adequate protection for aircraft conducting currently prescribed instrument approaches to the Houston International Airport and Ellington AFB during instrument flight rule condition.

If this action is taken, the Houston, Tex., control zone would be redesignated within a 5-mile radius of the Houston, Tex., International Airport (latitude 29°38'40" N., longitude 95°16'30" W.), within a 5-mile radius of the Ellington, Air Force Base, Tex. (latitude 29°36'25" N., longitude 95°09'20" W.), within 2 miles either side of the southeast course of the Houston, Tex., radio range extending from the Houston International Airport 5 mile radius zone to a point 12 miles southeast of the radio range station, and within 2 miles either side of the 043° True bearing from the Pearland nondirectional radio beacon extending from the Ellington AFB 5-mile radius zone to the radio beacon.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Chief, Air Traffic Management Field Division, Federal Aviation Agency, P.O. Box 1689, Fort Worth 1, Tex. All communications received within forty-five days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Management Field Division Chief, or the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room B-316, 1711 New York Avenue NW., Washington 25, D.C. An informal Docket will also be available for examination at the office of the Regional Air Traffic Management Field Division Chief.

This amendment is proposed under sections 307(a) and 313(a) of the Federal Aviation Act of 1958 (72 Stat. 749, 752; 49 U.S.C. 1348, 1354).

Issued in Washington, D.C., on June 7, 1960.

CHARLES W. CARMODY,
Acting Director, Bureau of Air Traffic Management.

[F.R. Doc. 60-5356; Filed, June 13, 1960; 8:45 a.m.]

[14 CFR Part 601]

[Airspace Docket No. 60-FW-24]

CONTROL ZONES

Modification

Pursuant to the authority delegated to me by the Administrator (§ 409.13, F.R. 3499), notice is hereby given that the Federal Aviation Agency is considering an amendment to § 601.2438 of the regulations of the Administrator, the substance of which is stated below.

The Greenville, Miss., control zone is designated within a 5-mile radius of Greenville AFB and within 2 miles either side of a direct line extending from the AFB to the ILS outer marker. The Federal Aviation Agency has under consideration a request by the Department of Air Force to modify the Greenville control zone by revoking the present extension and designating a new extension within 2 miles either side of the 183° True radial of the Greenville AFB TVOR extending from the 5-mile radius zone to the TVOR. This modification would correct the persent description of the control zone by eliminating the reference to a Greenville AFB ILS which was never installed. In addition, the modification would provide protection for aircraft conducting prescribed TVOR instrument approaches to Greenville AFB under instrument flight rule conditions.

If this action is taken, the Greenville, Miss., control zone would be redesignated within a 5-mile radius of the Greenville Air Force Base (latitude 33°29'00" N., longitude 90°59'00" W.), and within 2 miles either side of the Greenville AFB TVOR 183° True radial extending from the 5-mile radius zone to the TVOR.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Chief, Air Traffic Management Field Division, Federal Aviation Agency, P.O. Box 1689, Fort Worth 1, Tex. All communications received within forty-five days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Management Field Division Chief, or the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room B-316, 1711 New York Avenue NW., Washington 25, D.C. An informal Docket will also be available for examination at the office of the Regional Air Traffic Management Field Division Chief.

This amendment is proposed under sections 307(a) and 313(a) of the Federal Aviation Act of 1958 (72 Stat. 749, 752; 49 U.S.C. 1348, 1354).

Issued in Washington, D.C., on June 8, 1960.

CHARLES W. CARMODY,
Acting Director, Bureau of Air Traffic Management.

[F.R. Doc. 60-5357; Filed, June 13, 1960; 8:45 a.m.]

[14 CFR Part 601]

[Airspace Docket No. 59-LA-9]

CONTROL AREAS

Modification of Extension

Pursuant to the authority delegated to me by the Administrator (§ 409.13, 24 F.R. 3499), notice is hereby given that the Federal Aviation Agency is considering an amendment to § 601.1357 of the regulations of the Administrator, the substance of which is stated below.

The Fallon, Nev., control area extension is designated within a 10-mile radius of the Fallon radio range station and within 5 miles either side of the north course of the Fallon radio range extending from the radio range station to a point 25 miles north, excluding the portion which lies within the geographical limits of, and between the designated altitudes of Restricted Area R-268, during the restricted area's time of use.

The Federal Aviation Agency has under consideration a proposal by the Department of Navy to redesignate the control area extension to include only that airspace within 5 miles either side of the 146° True radial of the NAAS Fallon TACAN (latitude 39°25'05" N., longitude 118°42'15" W.) extending from the TACAN to 20 miles southeast; within 6 miles southwest and 10 miles northeast of the 146° True radial of the NAAS Fallon TACAN, extending from 20 miles southeast of the TACAN to 54 miles southeast; and that airspace within 5 miles either side of the 037° True radial of the NAAS Fallon TACAN extending from the TACAN to 29 miles northeast, excluding those portions which would coincide with Restricted Areas R-268 and R-270.

The modified control area extension would provide protection for aircraft executing the approved TACAN approach and missed approach procedure at NAAS Fallon and for aircraft holding on the 146° True radial of the NAAS Fallon TACAN between 10,000 feet MSL and 24,000 feet MSL. The holding fix is a point 25 nautical miles from the TACAN on the 146° True radial.

If this action is taken, the Fallon, Nev., control area extension would be redesignated within 5 miles either side of the 146° True radial of the NAAS Fallon TACAN, extending from the TACAN to 20 miles southeast; within 6 miles southwest and 10 miles northeast of the 146° True radial of the NAAS Fallon TACAN, extending from 20 miles southeast of the TACAN to 54 miles southeast; and the airspace within 5 miles either side of the 037° True radial of the NAAS Fallon TACAN, extending from the TACAN to 29 miles northeast, excluding those portions which coincide with Restricted Areas R-268 and R-270.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Chief, Air Traffic Management Field Division, Federal Aviation Agency, 5651 West Manchester Avenue, P.O. Box 90007, Airport Station, Los Angeles 45, Calif. All communications received within forty-five days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Management Field Division Chief, or the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room B-316, 1711 New York Avenue NW., Washington 25, D.C. An informal Docket will also be available for examination at the office of the Regional Air Traffic Management Field Division Chief.

This amendment is proposed under sections 307(a) and 313(a) of the Federal Aviation Act of 1958 (72 Stat. 749, 752; 49 U.S.C. 1348, 1354).

Issued in Washington, D.C., on June 7, 1960.

CHARLES W. CARMODY,
Acting Director, Bureau of Air Traffic Management.

[F.R. Doc. 60-5359; Filed, June 13, 1960; 8:45 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Part 3]

[Docket No. 13374; FCC 60-669]

TABLE OF ASSIGNMENTS, TELEVISION BROADCAST STATIONS

Order Extending Time for Filing Comments

In the matter of amendment of § 3.606 *Table of assignments,* Television Broadcast Stations (Grand Rapids, Cadillac,

Traverse City and Alpena, Michigan), Docket No. 13374.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 8th day of June 1960;

In an order adopted on March 30, 1960, and released April 4, 1960, the Commission extended time for filing comments in the instant proceeding. That extension was deemed desirable inasmuch as the instant proceeding involves proposals to assign a VHF channel at substandard separations under conditions set out in the Notice of Proposed Rule Making adopted January 4, 1960, in Docket 13340 (Interim Policy on VHF Television Channel Assignments and Amendment of Part 3 of the rules concerning Television Engineering Standards), and the Commission had on the same day also extended time for filing comments in that proceeding.

The Commission today adopted a Notice announcing that the field strength curves issued May 5, 1960, in Docket 13340 will be modified and reissued as soon as they can be prepared and printed, and extended the time for filing comments in that proceeding. The curves for Channels 2–6 will be the same as the May 5th curves which were intended for use on all VHF channels, but the revised curves for Channels 7–13 will not be the same as the May 5th curves. Among the alternative proposals in the instant proceedings are proposals to assign channels in the upper VHF band and comments filed may require reference to the revised upper VHF curves.

Accordingly, it is ordered, That the last dates for filing comments and reply comments in this proceeding are extended to September 1, 1960, and September 16, 1960, respectively.

Released: June 9, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-5391; Filed, June 13, 1960; 8:50 a.m.]

[47 CFR Part 3]

[Docket No. 13340; FCC 60-668]

VHF TELEVISION CHANNEL ASSIGNMENTS AND ENGINEERING STANDARDS

Notice of Extension of Time for Filing Comments

In the matter of Interim policy on VHF Television Channel Assignments and amendment of Part 3 of the rules concerning Television Engineering Standards, Docket No. 13340.

On January 4, 1960, the Commission adopted a notice of proposed rule making in the above entitled matter which among other things, proposed to revise the Field Strength Charts of the rules on the basis of additional data and measurements obtained since the original charts were adopted. The revised charts were shown in that document.

On May 5, 1960, the Commission issued a further notice of proposed rule making proposing a single set of Field Strength Charts for both the upper and lower VHF television bands, in lieu of the two sets of charts originally proposed. This latter proposal was based on a recommendation by the Radio Propagation Advisory Committee (RPAC) composed of industry and Government engineers. Preliminary examination of the available data supported this proposal.

The data have been meanwhile reviewed by RPAC and there is general agreement that the measurements and data obtained on tropospheric signals show rather conclusively that these signals are not significantly frequency sensitive in the VHF television broadcast bands and a single set of curves may be drawn for all VHF television channels. The data and measurements with respect to groundwave signals are not so conclusive. Further study and analysis is needed to establish definitely the relation of frequency to groundwave propagation.

The single set of curves proposed in the May 5th, 1960, notice were derived by merging the groundwave curves based on close-in measurements, with the tropospheric measurements made at greater distances. The resulting curves are substantially the same as would be developed if the new tropospheric data curves were merged with the low VHF curves (Ad Hoc curves) of our present rules. Consequently, the revised curves issued with our May 5th, 1960, notice are still valid for the low VHF channels. In view of the fact that the further study of the available data for the high VHF channels may take considerable time and perhaps require additional measurements, we believe that consistent treatment should be given the high VHF curves. Therefore, revised curves derived by merging the present high VHF Ad Hoc groundwave curves with the new and accepted tropospheric curves, will be prepared and issued in a Further Notice of Proposed Rule Making in Docket No. 13340. At the same time, the May 5th curves will be reissued and limited to use for the low VHF channels. These curves will be issued as soon as they can be prepared and printed.

Since this will go beyond the present expiration date for filing comments in Docket No. 13340, the Commission is extending the dates for filing comments and replies to comments in order to allow computation of pertinent data based upon the revised curves. Data prepared for low VHF channels and based upon the May 5th curves will still be valid. Data and comments for high VHF stations should be held in abeyance until the revised high VHF curves are issued.

Accordingly, it is ordered, This 8th day of June 1960, that the time for filing comments herein is extended from June 20, 1960, until September 1, 1960; and that the time for filing reply comments is extended from July 5, 1960 until September 16, 1960.

Released: June 9, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-5392; Filed, June 13, 1960; 8:50 a.m.]

Notices

DEPARTMENT OF THE INTERIOR

Office of the Secretary

DIRECTOR, BUREAU OF COMMERCIAL FISHERIES

Negotiation of Professional Engineering and Architectural Contracts

The following material is a portion of the Departmental Manual and the numbering system is that of the Manual. Material that relates solely to internal management has not been included.

241.2.1 *Delegation.* The Director, Bureau of Commercial Fisheries is authorized, subject to the provisions of 241 DM 2.2, to exercise the authority delegated by the Administrator of General Services on March 10, 1959 (24 F.R. 1921, 2096), to the Secretary of the Interior to negotiate, without advertising, under section 302(c)(4) of the Federal Property and Administrative Services Act of 1949, as amended (41 U.S.C. 252 et seq.), contracts for services of engineering and architectural firms in connection with construction programs of the Bureau of Commercial Fisheries.

241.2.2 *Limitations; Exercise of Authority.* The authority granted by 241 DM 2.1 shall be exercised in accordance with all provisions of Title III of the act with respect to negotiation of contracts, all other provisions of law, and applicable regulations of the Department and the General Services Administration.

FRED A. SEATON,
Secretary of the Interior.

JUNE 7, 1960.

[F.R. Doc. 60-5363; Filed, June 13, 1960; 8:46 a.m.]

[Order 2823, Amdt. 1]

LAND DISTRICTS AND LAND OFFICES IN ALASKA

Reestablishment of Boundaries

Section 3 of Order No. 2823 (22 F. R. 6366) is amended to adjust the boundary between the Anchorage and Fairbanks Land Districts to conform with township lines rather than boundaries generally following judiciary divisions of the District Court for Alaska. The amended section reads as follows and shall become effective July 1, 1960.

SEC. 3. *Anchorage and Fairbanks land district boundaries reestablished.* (a) The boundary line between the Anchorage and Fairbanks Land Districts is hereby established as follows:

Beginning at the intersection of the 1st Standard Parallel South, Copper River Meridian and the Alaska-Canada Boundary, in latitude 61°28'16.295" N., longitude 141°00' W., thence West approximately 35 miles along the 1st Standard Parallel South, Copper River Meridian, to the Standard Corner of T. 4 S., Rs. 18 and 19 E., Copper River Meridian; in longitude 142°02'58.404" W., thence North approximately 24 miles to the Copper River Meridian Base Line, in latitude 61°49'-04.004" N., thence West approximately 17 miles to the Standard Corner of T. 1 N., Rs. 15 and 16 E., Copper River Meridian, in longitude 142°33'44.669" W., thence North approximately 24 miles to the 1st Standard Parallel North, Copper River Meridian, in latitude 62°09'51.649" N.; thence East approximately 1 mile to the Standard Corner of T. 5 N., Rs. 15 and 16 E., Copper River Meridian, in longitude 142°31'51.708" W.; thence North approximately 24 miles to the 2nd Standard Parallel North, Copper River Meridian, in latitude 62°30'39.231" N.; thence West approximately 5 miles to the Standard Corner of T. 9 N., Rs. 14 and 15 E., Copper River Meridian, in longitude 142°41'10.480" W.; thence North approximately 6 miles to the Corner of Ts. 9 and 10 N., Rs. 14 and 15 E., Copper River Meridian, in latitude 62°35'-51.116" N.; thence West approximately 12 miles to the Corner of Ts. 9 and 10 N., Rs. 12 and 13 E., Copper River Meridian, in longitude 143°03'39.912" W.; thence North approximately 6 miles to the Corner of Ts. 10 and 11 N., Rs. 12 and 13 E., Copper River Meridian, in latitude 62°41'02.998" N.; thence West approximately 12 miles to the Corner of Ts. 10 and 11 N., Rs. 10 and 11 E., Copper River Meridian, in longitude 143°26'-09.344" W.; thence North approximately 12 miles to the 3rd Standard Parallel North, Copper River Meridian, in latitude 62°51'-26.749" N., thence West approximately 60 miles to the Copper River Meridian in longitude 145°18'36.503" W.; thence South along the Copper River Meridian approximately 24 miles to the 2nd Standard Parallel North, in latitude 62°30'39.231 N.; thence West approximately 12 miles to the Standard Corner of T. 9 N., Rs. 2 and 3 W., Copper River Meridian, in longitude 145°41'05.935" W.; thence North, approximately 6 miles to the Corner of Ts. 9 and 10 N., Rs. 2 and 3 W., in latitude 62°35'51.116" N.; thence West approximately 18 miles to the Corner of Ts. 9 and 10 N., Rs. 5 and 6 W., Copper River Meridian, in longitude 146°14'50.083" W.; thence North approximately 6 miles to the corner of Ts. 10 and 11 N., Rs. 5 and 6 W., Copper River Meridian, in latitude 62°41'02.998" N.; then West approximately 30 miles to the closing corner of Ts. 10 and 11 N., Copper River Meridian on the 3rd Guide Meridian East, Seward Meridian, in longitude 147°06'17.941" W.; thence North approximately 15 miles to the 8th Standard Parallel North, Seward Meridian, in latitude 62°53'58.830" N.; then West approximately 5 miles to the Standard Corner of T. 33 N., Rs. 11 and 12 E., Seward Meridian, in longitude 147°16'06.034" W.; thence North approximately 4 miles to the closing corner of T. 33 N., Rs. 11 and 12 E., Seward Meridian, in latitude 62°57'29.886" N., identical with the South Boundary of T. 22 S., of the Fairbanks Meridian; thence West approximately 5½ miles along the South boundary of T. 22 S., R. 2 E. of the Fairbanks Meridian to the Corner of T. 22 S., Rs. 1 and 2 E., Fairbanks Meridian, in longitude 147°26'56.806" W.; thence North approximately 6 miles to the Corner of Ts. 21 and 22 S., Rs. 1 and 2 E., Fairbanks Meridian, in latitude 63°02'41.751" N.; thence West approximately 18 miles to the Corner of Ts. 21 and 22 S., Rs. 2 and 3 W., Fairbanks Meridian, in longitude 148°01'24.052" W.; thence North approximatly 6 miles to the Corner of Ts. 20 and 21 S., Rs. 2 and 3 W., Fairbanks Meridian, in latitude 63°07'53.612 N.; thence West approximately 24 miles to the Corner of Ts. 20 and 21 S., Rs. 6 and 7 W., Fairbanks Meridian, in longitude 148°47'-20.379" W.; thence North approximately 12 miles to the corner of Ts. 18 and 19 S., Rs. 6 and 7 W., Fairbanks Meridian, in latitude 63°18'17.323" N.; thence West approximately 18 miles to the Corner of Ts. 18 and 19 S., Rs. 9 and 10 W., Fairbanks Meridian, in longitude 149°21'47.624" W.; thence North approximately 4 miles to the Closing Corner of T. 18 S., Rs. 9 and 10 W., Fairbanks Meridian, at intersection with the Southerly boundary of U.S. Survey No. 2177 (Mt. McKinley National Park); thence approximately South 63°54' W. approximately 93 miles on a right line along the Southerly boundary of U.S. Survey No. 2177 to Corner No. 5 of U.S. Survey No. 2177, identical with the summit of Mt. Russell, in latitude 62°47'-55.984" N., longitude 151°52'55.927" W., from which forward azimuth to Corner No. 6 is N. 62°38'13.252" E., (back azimuth S. 65°11'43.474" W.); thence N. 17°52'02" W. on the forward azimuth to Corner No. 4, approximately 1¼ miles along the Westerly boundary of U.S. Survey No. 2177 to the Closing Corner of Ts. 31 and 32 N., R. 14 W., Seward Meridian, in latitude 62°48'-46.958" N.; thence West approximately 9 miles between Ts. 31 and 32 N., Seward Meridian, to the Corner of Ts. 31 and 32 N., Rs. 15 and 16 W., Seward Meridian, in longitude 152°10'21.091" W.; thence South approximately 12 miles to the Corner of Ts. 29 and 30 N., Rs. 15 and 16 W., Seward Meridian, in latitude 62°38'23.203" N.; thence West approximately 18 miles to the corner of Ts. 29 and 30 N., Rs. 18 and 19 W., Seward Meridian, in longitude 152°44'08.108" W.; thence South approximately 6 miles to the 7th Standard Parallel North, Seward Meridian, in latitude 62°33'11.319" N.; thence West approximately 5 miles to the Closing Corner of T. 28 N., Rs. 19 and 20 W., Seward Meridian, in longitude 152°52'56.447" W.; thence South approximately 24 miles to the 6th Standard Parallel North, Seward Meridian, in latitude 62°12'23.745" N.; thence West approximately 5 miles to the Closing Corner of T. 24 N., Rs. 20 and 21 W., Seward Meridian, in longitude 153°01'33.274" W.; thence South approximately 24 miles to the 5th Standard Parallel North, Seward Meridian, in latitude 61°51'36.108" N.; thence East approximately 1¼ miles to the Closing Corner of T. 20 N., Rs. 20 and 21 W., Seward Meridian, in longitude 152°59'06.034 W.; thence South approximately 24 miles to the 4th Standard Parallel North, Seward Meridian in latitude 61°30'48.407" N.; thence West approximately 11 miles to the Closing Corner of T. 16 N., Rs. 22 and 23 W., Seward Meridian, in longitude 153°18'14.157" W.; thence South approximately 24 miles to the 3rd Standard Parallel North, Seward Meridian in latitude 61°10'00.641" N.; thence West approximately 5 miles to the Closing Corner of T. 12 N., Rs. 23 and 24 W., Seward Meridian, in longitude 153°26'19.047" W.; thence South approximately 24 miles to the 2nd Standard Parallel North, Seward Meridian, in latitude 60°49'12.809" N.; thence West approximately 18 miles to the Standard Corner of T. 9 N., Rs. 26 and 27 W., Seward Meridian, in longitude 153°58'15.530" W.; thence North approximately 6 miles to the Corner of Ts. 9 and 10 N., Rs. 26 and 27 W., Seward Meridian, in latitude 60°54'24.773" N.; thence West approximately 36 miles to the Corner of Ts. 9 and 10 North, Rs. 32 and 33 W., Seward Meridian, in longitude 155°02'08.497" W.; thence South approximately 6 miles to the 2nd Standard Parallel North, Seward Meridian, in latitude 60°49'12.809" N.; thence

West approximately 10 miles to the Closing Corner of T. 8 N., Rs. 34 and 35 W., Seward Meridian, in longitude 155°19'34.124" W.; thence South approximately 12 miles to the Corner of Ts. 6 and 7 N., Rs. 34 and 35 W., Seward Meridian, in latitude 60°38'48.869" N., thence West approximately 60 miles to the Corner of Ts. 6 and 7 N., Rs. 44 and 45 W., Seward Meridian, in longitude 157°04'-54.158" W.; thence North approximately 6 miles to the corner of Ts. 7 and 8 N., Rs. 44 and 45 W., Seward Meridian, in latitude 60°44'00.841" N.; thence West approximately 18 miles to the Corner of Ts. 7 and 8 N., Rs. 47 and 48 W., Seward Meridian, in longitude 157°36'30.169" W.; thence South approximately 18 miles to the 1st Standard Parallel North, Seward Meridian, in latitude 60°28'-24.913" N.; thence West approximately 56 miles to the Closing Corner of T. 4 N., Rs. 57 and 58 W., Seward Meridian, in longitude 159°15'30.726" W.; thence South approximately 24 miles to the Seward Base line in latitude 60°07'36.950" N.; thence West approximately 26 miles to the Closing Corner of T. 1 S., Rs. 62 and 63 W., Seward Meridian, in longitude 160°00'54.682" W.; thence South approximately 24 miles to the 1st Standard Parallel South, Seward Meridian, in latitude 59°46'48.921" N.; thence West approximately 14 miles to the Closing Corner of T. 5 S., Rs. 65 and 66 W., Seward Meridian in longitude 160°24'59.092" W.; thence South approximately 24 miles to the 2nd Standard Parallel South, Seward Meridian, in latitude 59°26'00.824" N.; thence West approximately 1½ miles to the Closing Corner of T. 9 S., Rs. 66 and 67 W., Seward Meridian, in longitude 160°28'23.061" W.; thence South approximately 12 miles to the Corner of Ts. 10 and 11 S., Rs. 66 and 67 W., Seward Meridian, in latitude 59°15'36.751" N.; thence West approximately 12 miles to the Corner of Ts. 10 and 11 S., Rs. 68 and 69 W., Seward Meridian, in longtiude 160°48'35.699" W.; thence South approximately 12 miles to the 3rd Standard Parallel South, Seward Meridian, in latitude 59°05'12.661" N.; thence West approximately 19½ miles to the Closing Corner of T. 13 S., Rs. 72 and 73 W., Seward Meridian, in longitude 161°21'45.776" W.; thence South approximately 24 miles to the 4th Standard Parallel South, Seward Meridian, in latitude 58°44'24.429" N.; thence West approximately 16 miles along the 4th Standard Parallel South, Seward Meridian, to the line of mean high tide, Kuskokwim Bay.

(b) The Land Offices at Anchorage and Fairbanks are continued; however, the business and necessary archives pertaining to the boundary changes shall be transferred to the respective Land Offices.

FRED A. SEATON,
Secretary of the Interior.

JUNE 7, 1960.

[F.R. Doc. 60-5386; Filed, June 13, 1960; 8:50 a.m.]

DEPARTMENT OF COMMERCE

Office of the Secretary

ROBERT GEOFFREY PETERSEN

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests as reported in the FEDERAL REGISTER during the last six months:

A. Deletions: None.
B. Additions: None.

This statement is made as of May 22, 1960.

Dated: May 31, 1960.

R. G. PETERSEN.

[F.R. Doc. 60-5358; Filed, June 13, 1960; 8:45 a.m.]

G. CORYDON WAGNER, JR.

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests as reported in the FEDERAL REGISTER during the last six months.

A. Deletions: Chicago Aerial Industries Raytherm Co.
B. Additions: Simpson Lee.

This statement is made as of June 1, 1960.

Dated: June 1, 1960.

G. CORYDON WAGNER, Jr.

[F.R. Doc. 60-5366; Filed, June 13, 1960; 8:46 a.m.]

CIVIL AERONAUTICS BOARD

[Docket 9214 etc.]

REOPENED NEW YORK-SAN FRANCISCO NONSTOP SERVICE CASE

Notice of Hearing

Notice is hereby given, pursuant to the Federal Aviation Act of 1958, as amended, that hearing in the above-entitled proceeding is assigned to be held on July 6, 1960, at 10:00 a.m., e.d.s.t., in Room 911, Universal Building, Connecticut and Florida Avenues NW., Washington, D.C., before Examiner Edward T. Stodola for the limited purposes of ascertaining the relevant facts and determining (a) whether any party to the Board's proceeding violated the Board's Principles of Practice, and, if so, (b) whether the Board's rules were so violated as to require a setting aside of the order of certification. See Order E-15342.

Dated at Washington, D.C., June 9, 1960.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F.R. Doc. 60-5393; Filed, June 13, 1960; 8:50 a.m.]

ATOMIC ENERGY COMMISSION

[Docket No. 50-38]

MARTIN CO.

Notice of Issuance of Amendment to Utilization Facility License

Please take notice that no request for a formal hearing having been filed following the filing of the proposed action with the Office of the Federal Register on May 20, 1960, the Atomic Energy Commission has issued amendment No. 7 to Facility License No. CX-7. The amendment authorizes The Martin Company, as requested in its application for license amendment dated May 5, 1960, to conduct experiments which involve the use of components consisting of homogeneous dispersions in plastic of uranium, stainless steel, and boron, in Test Cell No. 2 of its Critical Experiments Facility located near Middle River, Maryland. Notice of the proposed action was published in the FEDERAL REGISTER on May 21, 1960, 25 F.R. 4523.

Dated at Germantown, Md., this 7th day of June 1960.

For the Atomic Energy Commission.

R. L. KIRK,
Deputy Director, Division of Licensing and Regulation.

[F.R. Doc. 60-5377; Filed, June 13, 1960; 8:48 a.m.]

FEDERAL RESERVE SYSTEM

NEW HAMPSHIRE BANKSHARES, INC.

Order Approving Application Under Bank Holding Company Act

In the matter of the application of New Hampshire Bankshares, Inc. for prior approval of acquisition of voting shares of The Peoples National Bank of Claremont, Claremont, New Hampshire.

There having come before the Board of Governors pursuant to section 3(a)(2) of the Banking Holding Company Act of 1956 (12 U.S.C. 1843) and section 4(a)(2) of the Board's Regulation Y (12 CFR 222.4(a)(2)), an application on behalf of New Hampshire Bankshares, Inc., Nashua, New Hampshire, for the Board's prior approval of the acquisition of up to 60 percent of the 2,000 outstanding voting shares of The Peoples National Bank of Claremont, Claremont, New Hampshire; a Notice of Tentative Decision referring to a Tentative Statement on said application having been published in the FEDERAL REGISTER on May 18, 1960 (25 F.R. 4403); the said notice having provided interested persons an opportunity, before issuance of the Board's final order, to file objections or comments upon the facts stated and the reasons indicated in the Tentative Statement; and the time for filing such objections and comments having expired and no such objections or comments having been filed;

It is hereby ordered, For the reasons set forth in the Board's Statement[1] of this date, that the said application be and hereby is granted, and the acquisition by New Hampshire Bankshares, Inc. of up to 60 percent of the 2,000 outstanding voting shares of The Peoples National Bank of Claremont, Claremont,

[1] Filed as part of the original document. Copies available upon request to the Board of Governors of the Federal Reserve System, Washington 25, D.C., or to any Federal Reserve Bank.

New Hampshire, is hereby approved, provided that such acquisition is completed within three months from the date hereof.

Dated at Washington, D.C., this 6th day of June 1960.

By order of the Board of Governors.

[SEAL] MERRITT SHERMAN, *Secretary.*

[F.R. Doc. 60-5362; Filed, June 13, 1960; 8:46 a.m.]

FEDERAL POWER COMMISSION

[Docket No. E-6994]

CENTRAL HUDSON GAS & ELECTRIC CO.

Order To Show Cause

JUNE 7, 1960.

The 1958 and 1959 Annual Reports (FPC Form No. 1) of Central Hudson Gas & Electric Company (Company), a New York Corporation with its principal place of business at Poughkeepsie, New York, together with Company's books of account, indicate that Company is currently accounting and reporting certain charges and credits arising from acounting procedures for deferred taxes on income in a manner contrary to the requirements of the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees. Company's 1958 and 1959 Annual Reports were filed with this Commission on May 1, 1959, and May 2, 1960, respectively. Company's books and records were examined by this Commission's staff during a field study conducted in February 1960.

Company is a public utility within the meaning of that term under the Federal Power Act.

In Company's Annual Report to the Commission for 1958 p. 13, Comparative Balance Sheet, there is included the credit amount of $1,263,541 in Account 271, Earned Surplus. That amount represents Company's accumulated annual provision, as of December 31, 1958, for Federal income taxes deferred pursuant to section 167 of the Internal Revenue Code of 1954.

In reporting this credit amount of $1,263,541 which relates to both electric and gas utility facilities as of December 31, 1958, Company's Annual Report at pp. 14 and 14-A, Notes to Balance Sheet, and p. 23 of Company's annual report to stockholders (which annual report is required to be appended as a part of the Commission's FPC Form No. 1), indicate that at various times prior to April 1, 1959, this credit amount was transferred from Account 271, Earned Surplus to Account 266, Accumulated Deferred Taxes on Income—Liberalized Depreciation, and then retransferred from Account 266 to Account 271. Both the transfer and retransfer are reported to have been "effective" January 1, 1959. Company's 1959 Annual Report to this Commission shows the credit balance of $1,263,541 as a part of Company's Account 271, Earned Surplus as of December 31, 1959.

During this same period, 1958-1959, Company's books of account, as contradistinguished from Company's Annual Reports to this Commission show the credit of $1,263,541 to be included in an account principally numbered and titled Account 242.21, Other Deferred Credits—Accumulated Deferred Taxes Liberalized Depreciation.[1] Company's adjusting journal entries effecting the afore-mentioned transfer and retransfer upon its books of account show those transfers as involving only Account 271 and Account 242.21, with mention of Account 266 entirely omitted.

Also, effective January 1, 1959, Company discontinued its prior action in following deferred tax accounting for liberalized depreciation practices of Company pursuant to section 167 of the Internal Revenue Code of 1954. The Company's action in this regard was reported to the Commission by letter dated April 20, 1959 and at p. 14-A of the Company's 1958 Annual Report to this Commission. Company had elected to follow liberalized depreciation practices commencing in 1954. Its annual charges to income for the above federal income taxes thus deferred, as shown per Company books of account, have been made to an account principally numbered and titled Account 539.12 Provision For Deferred Taxes—Liberalized Depreciation.[2] Company's monthly provisions for deferred federal income taxes during the year 1958 included in the afore-mentioned $1,263,541, total $473,631.

In addition to Company's liberalized depreciation practices, Company currently accounts and reports certain charges and credits arising from accounting procedures for accelerated amortization practices of Company pursuant to Section 168 of the Internal Revenue Code of 1954.[3]

Company's Annual Report for 1958, substitute p. 13,[4] shows the credit balance of $1,742,265 in Account 266, Accumulated Deferred Taxes on Income—Accelerated Amortization. That amount is reported as representing Company's accumulated annual provision, to December 31, 1958, for Federal income taxes deferred pursuant to Section 168 of the Internal Revenue Code of 1954. However, as in the case of Company's accumulated annual provision for deferred income taxes pursuant to Section 167 of the 1954 Internal Revenue Code. Company's books of account show this credit balance to be included in a balance sheet account other than Account 266; namely, an account principally numbered and titled Account 242.21, Other Deferred Credits—Accumulated Deferred Taxes Accelerated Amortization.[5] Company's adjusting journal entries establishing this credit balance of $1,742,265 show the transfer of that amount to Account 242.21 from Company's Account 271 with mention of Account 266 entirely omitted.

As of December 31, 1959 the corresponding credit balance of Company's accumulated annual provision for deferred income taxes pursuant to Section 168 of the Internal Revenue Code of 1954 is $2,032,104. In Company's 1959 Annual Report (FPC Form No. 1), this amount is included in Account 266. On Company's books of account it appears in the previously described "Account 242.21 Other Deferred Credits—Accumulated Deferred Taxes Accelerated Amortization."

Company's annual charge to income for the above Federal income taxes thus deferred, as shown per Company books of account, have been to an account principally numbered and titled Account 538.30 Provision for Deferred Income Taxes—Accelerated Amortization.[6] For the years 1958 and 1959 Company's monthly charges total $414,980 and $289,839, respectively.

Together Accounts 507 A and B and 266 constitute the income and balance sheet accounts, respectively, prescribed by this Commission's Order No. 204 (19 F.P.C. 837) as the appropriate accounting classification for Federal and State income taxes deferred by reason of liberalized depreciation and accelerated amortization practices under sections 167 and 168 of the Internal Revenue Code of 1954 and appropriate State authorization. Among other things, that order finds that surplus, even though restricted, is not an appropriate balance sheet classification for accumulated annual provision for deferred income taxes; and provides, specifically with respect to Account 266.1 Accumulated Deferred Taxes on Income—Accelerated Amortization, and Account 266.2, Accumulated Deferred Taxes on Income—Liberalized Depreciation, that:

Account 266.1:

A. This account shall be credited and Account 507-A, Provision for Deferred Taxes on Income, shall be debited with an amount equal to that by which taxes on income payable for the year are lower because of the use of accelerated (5-year) amortization of certified defense facilities in computing such taxes, as permitted by section 168 of the Internal Revenue Code of 1954 (section 124A of previous Internal Revenue Code), as compared to the depreciation deduction otherwise appropriate and allowable for tax purposes according to the straight line or other nonaccelerated depreciation method and appropriate estimated useful life for such property.

B. This account shall be debited and Account 507-B, Taxes on Income De-

[1] A memorandum notation "Account 266, Accumulated Deferred Taxes on Income—Liberalized Depreciation" further appears on the ledger account of Company as titled and referred to above.

[2] A memorandum notation "Account 507-A Provisions for Deferred Taxes on Income" further appears on the ledger account of Company as titled and referred to above.

[3] Formerly section 124-A of the Federal Internal Revenue Act of 1950.

[4] Transmitted by letter of Company dated March 16, 1960 in response to a Commission staff "letter request" dated March 10, 1960.

[5] A memorandum notation "Account 266, Accumulated Deferred Taxes on Income—Accelerated Amortization" further appears on the ledger account of Company as titled and referred to above.

[6] A memorandum notation "Account 507-A Provisions for Deferred Taxes on Income" further appears on the ledger account of Company as titled and referred to above.

ferred in Prior Years—Credit, shall be credited with an amount equal to that by which taxes on income payable for the year are greater because of the use in prior years of accelerated (5-year) amortization of certified defense facilities instead of non-accelerated or non-liberalized depreciation otherwise appropriate for income tax purposes, and deferral of taxes in such prior years as described in paragraph A, above. Such debit to this account and credit to Account 507–B shall, in general, represent the effect on taxes payable for the current year of the unavailability of a depreciation deduction for tax purposes, or a reduced amount, with respect to any depreciable property for which accelerated amortization was used in prior years, as compared to the depreciation deduction otherwise available and appropriate for such property, considering its estimated useful life, according to the depreciation method ordinarily used by the utility for similar property in computing depreciation for tax purposes by a nonaccelerated or nonliberalized depreciation method.

D. * * * If, however, deferred tax accounting is initiated with respect to any certified defense facility, the accounting shall not be suspended or discontinued on the property covered by that certificate, without approval of the Commission.

E. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer the balance in this account or any portion thereof to surplus or make any use thereof except as provided in the text of this account without prior approval of the Commission. * * *

Account 266.2;

A. This account shall be credited and Account 507–A, Provision for Deferred Taxes on Income, shall be debited with an amount equal to that by which taxes on income payable for the year are lower because of the use of liberalized depreciation in computing such taxes, as permitted by section 167 of the Internal Revenue Code of 1954, as compared to the depreciation deduction otherwise appropriate and allowable for tax purposes for similar property of the same estimated useful life according to the straight line or other nonliberalized method of depreciation.

B. This account shall be debited and Account 507–B, Taxes on Income Deferred in Prior years—Credit, shall be credited with an amount equal to that by which taxes on income payable for the year are greater because of the use in prior years of liberalized depreciation for income tax purposes, and deferral of taxes in such prior years as described in paragraph A above. Such debit to this account and credit to Account 507–B, shall, in general, represent the effect on taxes payable for the current year of the smaller amount of depreciation permitted for tax purposes for the current year with respect to any depreciable property for which liberalized depreciation was used in prior years, as compared to the depreciation deduction otherwise appropriate and available for similar property of the same estimated useful life according to the straight line or other nonliberalized depreciation method ordinarily used by the utility in computing depreciation for tax purposes.

* * * * *

D. * * * If however, deferred tax accounting is initiated with respect to any property such accounting shall not be discontinued on that property, without approval of the Commission.

E. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer the balance in the account or any portion thereof to surplus or make any use thereof except as provided in the text of this account without prior approval of the Commission * * *.[1]

Correspondence between Company representatives and this Commission's staff has failed to show any justification for Company's departure from the requirements of this Commission's Uniform System of Accounts as indicated above. Moreover, Company representatives have indicated that Company proposes to continue the afore-mentioned accounting practices.

In view of the foregoing, it is necessary and appropriate for the purposes of the Federal Power Act (particularly sections 301(a), 304, 309 and 311 thereof), that Company show cause, if there be any, for its past and continuing departure from the requirements of this Commissions Uniform System of Accounts; all in the manner hereinafter provided.

The Commission orders: Company shall show cause, if there be any, under oath and in writing within 60 days from the issuance of this order, why the Commission should not find and determine:

(1) That Company is accounting for and reporting financial data relative to deferred taxes on income otherwise than by the use of the Commission's Prescribed Accounts 507 and 266, all as indicated above; and therefore that it has and continues to violate the accounting and reporting requirements prescribed by the Commission through its Uniform System of Accounts;

(2) That this action by Company constitutes a willful and knowing violation of the Federal Power Act;

(3) That the Company be required to make, keep, preserve and report its accounts in the manner prescribed by this Commission in its Uniform System of Accounts Prescribed for Public Utilities and Licensees; and

(4) That the Company be ordered to file such substitute pages of its Annual Reports for 1958 and 1959 (FPC Form No. 1) to make the accounting and reporting of accumulated deferred taxes on income therein consistent, and in compliance with the requirements therefor as prescribed by the Commission.

By the Commission.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 60–5360; Filed, June 13, 1960; 8:45 a.m.]

[1] 19 F.P.C. 837, 843–844.

[Docket No. RI60–360 etc.]

SOUTHWESTERN EXPLORATION CONSULTANTS, INC., ET AL.

Change in Docket Number

JUNE 2, 1960.

Southwestern Exploration Consultants, Inc., (Operator), et al., Docket No. RI60–360; Humble Oil and Refining Company, Docket No. RI60–361; Jal Oil Company, Inc., Docket No. RI60–362; Ambassador Oil Corporation, Docket No. RI60–363; Nova Company, et al., Docket No. RI60–364; Austral Oil Company, Inc., Agent for Oil Participations, Inc., Docket No. RI60–365; Virginia Ramsey, et al., Docket No. RI60–378.

This is to advise that in the "Order Providing For Hearing on and Suspension of Proposed Changes in Rates" issued May 25, 1960, in the above-designated matters, the docket number assigned to Virginia Ramsey, et al., has been redesignated RI60–378 in lieu of RI60–366.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 60–5361; Filed, June 13, 1960; 8:45 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 24SF–2648]

AUTOMATION-ENGINEERING CORP.

Order Temporarily Suspending Exemption, Statement of Reasons Therefor, and Notice of Opportunity for Hearing

JUNE 8, 1960.

I. Automation-Engineering Corporation (issuer), a Delaware corporation, filed with the Commission on October 7, 1959 a notification on Form 1–A and an offering circular relating to an offering of 150,000 shares of its $1.50 par value capital stock at $2 per share for an aggregate offering of $300,000 for the purpose of obtaining an exemption from the registration requirements of the Securities Act of 1933, as amended, pursuant to the provisions of section 3(b) and Regulation A promulgated thereunder.

II. The Commission has reasonable cause to believe that:

A. The terms and conditions of Regulation A have not been complied with in that the notification fails to disclose that S & M Lamp Co., advanced Manufacturing, Inc. and Flasher Electronics Corp. are each affiliates of the issuer.

B. The offering circular contains untrue statements of material facts and omits to state material facts necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, particularly with respect to:

1. The failure to disclose adequately the relationship and interest of the issuer and its officers and directors in S & M Lamp Co., Northwest Land & Timber,

Inc., Flasher Electronics Corp. and Advanced Manufacturing, Inc.;

2. The failure to set forth profit and loss statements for S & M Lamp Co., Electronics Corp. and Advanced Manufacturing, Inc.;

3. The failure to set forth consolidated financial statements of the issuer and its wholly owned subsidiary, Northwest Land & Timber, Inc.;

4. The failure to disclose the cash investment of the issuer's president in Northwest Land & Timber, Inc.;

5. Statements concerning the valuation of assets of Northwest Land & Timber, Inc.

C. The offer would be made in violation of Section 17 of the Securities Act of 1933, as amended.

III. *It is ordered,* Pursuant to Rule 261 of the general rules and regulations under the Securities Act of 1933, as amended, that the exemption under Regulation A be, and it hereby is, temporarily suspended.

Notice is hereby given that any persons having any interest in the matter may file with the Secretary of the Commission a written request for hearing within thirty days herefrom; that within twenty days after receipt of such request, the Commission will, or at any time upon its own motion may, set the matter down for hearing at a place to be designated by the Commission for the purpose of determining whether this order of suspension should be vacated or made permanent, without prejudice, however, to the consideration and presentation of additional matters at the hearing; and that notice of the time and place for said hearing will be promptly given by the Commission.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 60-5364; Filed, June 13, 1960; 8:46 a.m.]

[File No. 70-3886]

BLACKSTONE VALLEY GAS AND ELECTRIC CO.

Notice of Filing of Declaration Regarding Proposed Issuance of Short-Term Notes to Banks

JUNE 7, 1960.

Notice is hereby given that Blackstone Valley Gas and Electric Company ("Blackstone"), an exempt holding company and a public-utility subsidiary of Eastern Utilities Associates, a registered holding company, has filed with this Commission a declaration, pursuant to the Public Utility Holding Company Act of 1935 ("Act"), regarding its proposal to issue and sell short-term notes to banks; and has designated sections 6(a) and 7 of the Act and Rules 50(a)(2) and 42(b)(2) as applicable to the proposed transactions.

All interested persons are referred to the declaration on file at the office of the Commission for a statement of the transactions therein proposed, which are summarized as follows:

Blackstone estimates that at July 1, 1960 it will have outstanding an aggregate of $1,700,000 face amount of short-term notes held by banks, and that to meet its construction requirements through December 31, 1960 it will need an estimated additional $1,000,000.

During the period July 1, 1960 to December 31, 1960, Blackstone proposes to issue notes, from time to time, in the aggregate maximum face amounts, to the following banks:

Industrial National Bank of Providence, Providence, R.I.	$1,350,000
Rhode Island Hospital Trust Co., Providence, R.I.	1,350,000
Total	2,700,000

The proposed borrowings are to be evidenced by unsecured notes, maturing in less than nine months from date of issuance, bearing interest at not in excess of the prime rate effective at the date of the borrowing, and prepayable in whole or in part without penalty. It is contemplated that the first borrowings under the authorization here requested will be made on July 1, 1960.

The proceeds from the notes will be used to pay, from time to time, outstanding short-term notes at or prior to maturity, and to pay for construction expenditures. If any permanent financing is done before the maturity of said notes the proceeds are to be applied to the partial or total prepayment of declarants short-term indebtedness then outstanding, and the short-term notes which may be outstanding at any one time hereunder shall, thereafter, be reduced by the amount of the proceeds so applied; except that such reduction shall not limit the amount of short-term indebtedness permitted by the provisions of section 6(b) of the Act.

The declaration states that no State commission and no Federal commission, other than this Commission, has jurisdiction over the proposed transactions; and that no commissions, fees, expenses, remuneration, other than legal fees and disbursements of counsel, are to be paid, and that the fees and expenses of counsel are to be supplied by amendment to the declaration.

Notice is further given that any interested person may not later than June 23, 1960, request in writing that a hearing be held in respect of the declaration, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by the declaration which he desires to controvert, or he may request that he be notified should the Commission order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D.C. At any time after said date, the Commission may permit the declaration, as filed or as it may be amended, to become effective, as provided in Rule 23 promulgated under the Act, or the Commission may grant exemption from its rules and regulations under the Act, as provided in Rules 20(a) and 100 thereof, or take such other action as it may deem appropriate.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 60-5365; Filed, June 13, 1960; 8:46 a.m.]

[File No. 24SF-2680]

MARKO MINING & MILLING CO., INC.

Order Temporarily Suspending Exemption, Statement of Reasons Therefor, and Notice of Opportunity for Hearing

JUNE 7, 1960.

I. Marko Mining & Milling Co., Inc. (issuer), a Nevada corporation, 116 South Fourth Street, Las Vegas, Nevada, filed with the Commission on December 15, 1959, a notification on Form 1-A and an offering circular relating to an offering of 300,000 shares of its $1 par value common stock at $1 per share for an aggregate of $300,000 for the purpose of obtaining an exemption from the registration requirements of the Securities Act of 1933, as amended, pursuant to the provisions of section 3(b) thereof and Regulation A promulgated thereunder.

II. The Commission has reasonable cause to believe that:

A. The terms and conditions of Regulation A have not been complied with in that the notification fails to disclose that Great Basin Consolidated Mines, Inc., a Nevada corporation, is an affiliate of the issuer.

B. The offering circular omits to state material facts necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, particularly with respect to the failure to disclose the existence of Great Basin Consolidated Mines, Inc., a company organized by and having the same controlling persons as the issuer and having the same business purpose as the issuer.

C. The offering is being and will be made in violation of section 17 of the Securities Act of 1933.

III. *It is ordered,* Pursuant to Rule 261(a) of the general rules and regulations under the Securities Act of 1933, as amended, that the exemption under Regulation A be, and it hereby is, temporarily suspended.

Notice is hereby given that any person having any interest in the matter may file with the Secretary of the Commission a written request for hearing within thirty days after the entry of this order; that within twenty days after receipt of such request the Commission will, or at any time upon its own motion may, set the matter down for hearing at a place to be designated by the Commission, for the purpose of determining whether this order of suspension should be vacated or made permanent, without prejudice, however, to the consideration

and presentation of additional matters at the hearing; that if no hearing is requested and none is ordered by the Commission, this order shall become permanent on the thirtieth day after its entry and shall remain in effect unless or until it is modified or vacated by the Commission; and that notice of the time and place for any hearing will promptly be given by the Commission.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 60-5326; Filed, June 10, 1960; 8:47 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 13513; FCC 60M-991]

NATIONAL AMBULANCE & OXYGEN SERVICE, INC.

Order Changing Place of Hearing

In the matter of National Ambulance & Oxygen Service, Inc., Rochester, New York, Docket No. 13513; order to show cause why the license for Special Emergency Radio Station KED-379 should not be revoked, or, in the alternative, why a cease and desist order should not be issued.

The Chief Hearing Examiner having under consideration a request by respondent, filed May 25, 1960, for a change in place of hearing in the above-entitled proceeding;

It appearing that by order released May 25, 1960, hearing in this proceeding was scheduled to be held in Washington, D.C.;

It appearing further according to allegations herein, that the cost of producing witnesses at a hearing held in Washington, D.C., would be prohibitive to respondent;

It appearing further that the Commission's Safety and Special Radio Services Bureau, by pleading filed June 6, 1960, states that it does not oppose respondent's request;

It appearing further that the instant request is supported by a showing of good and sufficient cause;

It is ordered, This 7th day of June 1960, that the request is granted and that the place of hearing in the above-entitled proceeding is changed from Washington, D.C., to Rochester, N.Y.

Released: June 8, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE, *Acting Secretary.*

[F.R. Doc. 60-5390; Filed, June 13, 1960; 8:50 a.m.]

[Canadian List 147]

CANADIAN BROADCAST STATIONS

Changes, Proposed Changes, and Corrections in Assignments

MAY 24, 1960.

Notification under the provisions of Part III, section 2 of the North American Regional Broadcasting Agreement. List of changes, proposed changes, and corrections in Assignments of Canadian Broadcast Stations Modifying Appendix containing assignments of Canadian Broadcast Stations (Mimeograph #47214-3) attached to the recommendations of the North American Regional Broadcasting Agreement Engineering Meeting.

Call letters	Location	Power	Antenna	Schedule	Class	Expected date of commencement of operation
		1500 kilocycles				
CJME	Regina, Saskatchewan	1 kw	DA-1	U	III	Now in operation.
		1480 kilocycles				
CKFH (PO: 1430 kc 5 kw DA-2 III).	Toronto, Ontario	10 kw D/5 kw N	DA-2	U	III	EIO 5-15-61.

[SEAL] FEDERAL COMMUNICATIONS COMMISSION, BEN F. WAPLE, *Acting Secretary.*

[F.R. Doc. 60-5388; Filed, June 13, 1960; 8:50 a.m.]

[Docket No. 13537; FCC 60M-987]

MAYNARD M. HASKALL

Order Scheduling Hearing

In the matter of Maynard M. Haskall, P.O. Box 814, Ft. Pierce, Florida, Docket No. 13537; order to show cause why there should not be revoked the license for Radio Station WA-2168 aboard the vessel "Alert."

It is ordered, This 7th day of June 1960, that Isadore A. Honig will preside at the hearing in the above-entitled proceeding which is hereby scheduled to commence on July 28, 1960, in Washington, D.C.

Released: June 8, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE, *Acting Secretary.*

[F.R. Doc. 60-5389; Filed, June 13, 1960; 8:50 a.m.]

INTERSTATE COMMERCE COMMISSION

[Notice 328]

MOTOR CARRIER TRANSFER PROCEEDINGS

JUNE 9, 1960.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC 63027. By order of June 6, 1960, the Transfer Board approved the transfer to Ardevco, Inc., doing business as Harry's Transfer and Storage Co., American National Van & Storage Co., Bunnell Transfer Co., Southside Transfer Co., and Arcadia Van Lines, 4641 Huntington Drive, North, Los Angeles, Calif., of the operating rights set forth in Certificate No. MC 111471, issued by the Commission February 21, 1950, to Wendell H. Brown, doing business as American National Van & Storage Company, 4641 Huntington Drive, North, Los Angeles, Calif., authorizing the transportation, over irregular routes, of household goods, as defined by the Commission, between Altadena and Pasadena, Calif., on the one hand, and, on the other Los Angeles and Los Angeles Harbor, Calif.

No. MC-FC 63301. By order of June 8, 1960, the Transfer Board approved the transfer to Ellingwood Trucking Company, a corporation, Littleton, N.H., of Certificate No. MC 55417 issued May 21, 1943 to Ismond David Ellingwood, doing business as I. D. Ellingwood General Trucking, Groveton, N.H., authorizing the transportation of household goods, as defined by the Commission, over irregular routes, between Groveton, N.H., and points in New Hampshire and Vermont within 50 miles of Groveton, on the one hand, and, on the other, points in Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, and New Jersey; and machinery, forest products, livestock, building materials, groceries, agricultural commodities and supplies for farms, between St. Johnsbury, Vt., and points in Coos County, N.H., and Essex County, Vt. Horace F. Kinne, Sr., 2 Green Street, Littleton, N.H., for transferee, and Ismond David Ellingwood, Dba I. D. Ellingwood General Truck-

ing, 8 Rich Street, Groveton, N.H., for Transferor.

[SEAL] HAROLD D. McCOY, *Secretary.*

[F.R. Doc. 60-5376; Filed, June 13, 1960; 8:48 a.m.]

FOURTH SECTION APPLICATIONS FOR RELIEF

JUNE 9, 1960.

Protests to the granting of an application must be prepared in accordance with Rule 40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 36311: *Commodities between points in Texas.* Filed by Texas-Louisiana Freight Bureau, Agent (No. 386), for interested rail carriers. Rates on bags or bagging, urea, softeners, aluminum cable and paper scrap in carloads between points in Texas over interstate routes through adjoining states.

Grounds for relief: Intrastate competition and maintenance of rates from and to points in other states not subject to the same competition.

Tariff: Supplement 103 to Texas-Louisiana Freight Bureau tariff I.C.C. 865.

FSA No. 36313: *Cement—Ward Spur, Tex., to southern territory.* Filed by Southwestern Freight Bureau, Agent (No. B-7812), for interested rail carriers. Rates on cement and related articles, in carloads, as described in the application from Ward Spur, Tex., to points in southern territory, also Mississippi River crossings, Memphis, Tenn., and South and to Louisville, Ky.

Grounds for relief: Market competition.

Tariff: Southwestern Freight Bureau tariff I.C.C. 4360.

AGGREGATE-OF-INTERMEDIATES

FSA No. 36312: *Commodities between points in Texas.* Filed by Texas-Louisiana Freight Bureau, Agent (No. 387), for interested rail carriers. Rates on pipe or tubing, bags or bagging, urea, softeners, aluminum cable and paper scrap, in carloads from, to, and between points in Texas, over interstate routes through adjoining states.

Grounds for relief: Maintenance of depressed rates established to meet intrastate competition without use of such rates as factors in constructing combination rates.

Tariff: Supplement 103 to Texas-Louisiana Freight Bureau tariff I.C.C. 865.

By the Commission.

[SEAL] HAROLD D. McCOY, *Secretary.*

[F.R. Doc. 60-5375; Filed, June 13, 1960; 8:48 a.m.]

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